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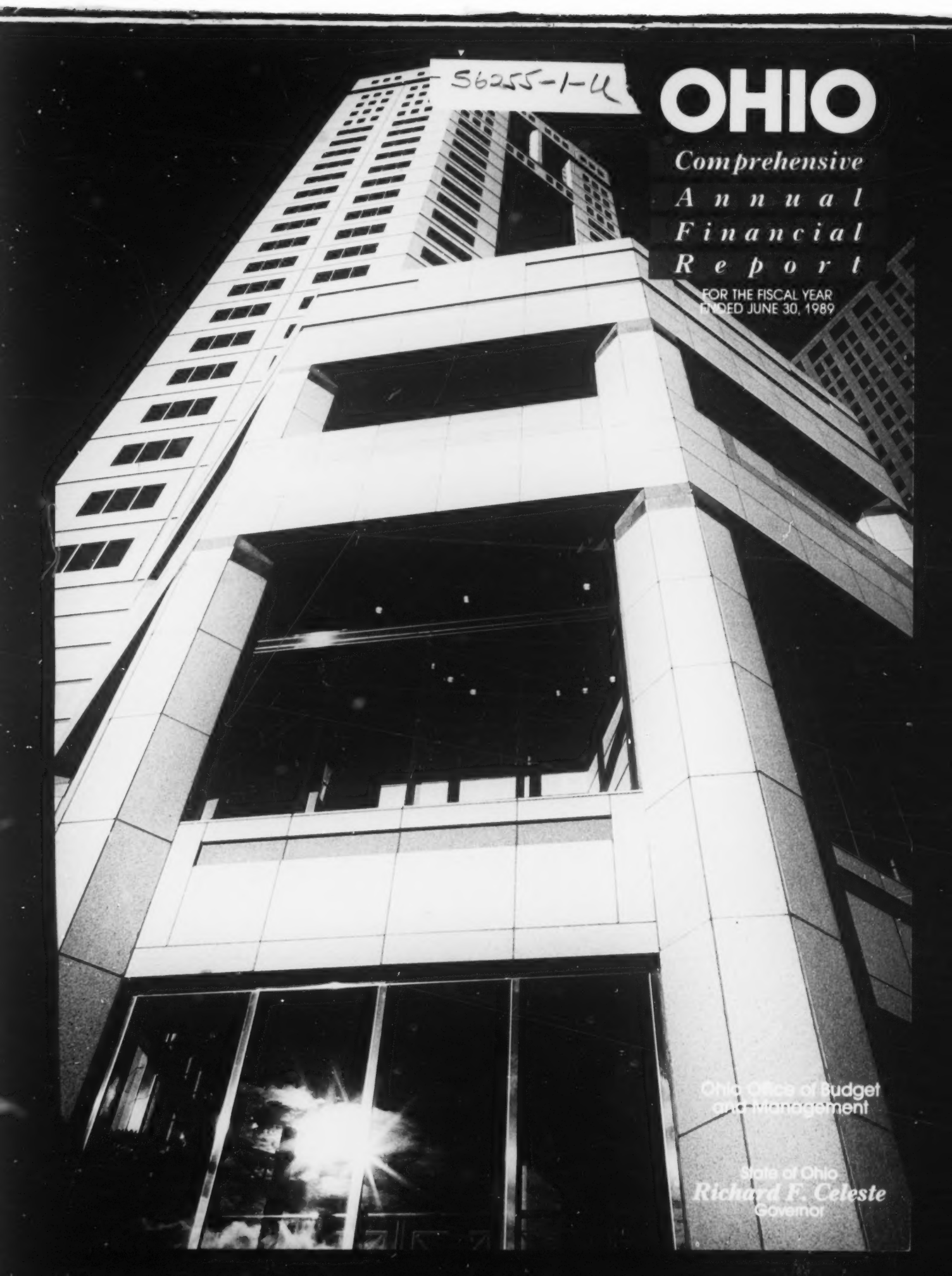

OHIO

Comprehensive Annual Financial Report

FOR THE FISCAL YEAR
ENDED JUNE 30, 1989

Ohio Office of Budget
and Management

State of Ohio
Richard F. Celeste
Governor

ACKNOWLEDGMENTS

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Special appreciation is given to all fiscal and accounting personnel throughout the State whose extra efforts to contribute accurate, timely financial data for their agencies made this report possible.

COVER PHOTOGRAPH:

THE VERN RIFFE CENTER FOR GOVERNMENT AND THE ARTS.

Completed in 1988, this new state office center incorporates the vast inner workings of state government with a showcase for cultural events. The center, which is located on Columbus' Capital Square, was named in honor of House Speaker Vernal G. Riffe, Jr., who has served longer than any other Speaker in Ohio history.

RICHARD F. CELESTE
GOVERNOR

L. LEE WALKER
DIRECTOR
OFFICE OF BUDGET
AND MANAGEMENT

TIMOTHY I. MURPHY
DEPUTY DIRECTOR
DIVISION OF
STATE ACCOUNTING

PREPARED BY DIVISION OF
STATE ACCOUNTING

OHIO

Comprehensive Annual Financial Report

FOR THE FISCAL YEAR
ENDED JUNE 30, 1989

STATE OF OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

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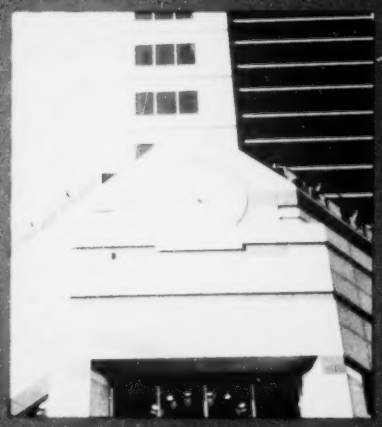


INTRODUCTORY SECTION

State of Ohio · Office of Budget and Management
30 East Broad Street · Columbus, Ohio 43266-0411

December 29, 1989

To the Governor, the Honorable Members of the General Assembly and the Citizens of Ohio:

It is my privilege to issue the Comprehensive Annual Financial Report (CAFR) on the financial condition of the State of Ohio for the fiscal year ended June 30, 1989. The report is prepared in conformance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board.

This report was prepared by the Ohio Office of Budget and Management pursuant to Section 126.21 of the Ohio Revised Code, which requires that an official financial report of the State be issued annually. The report includes General Purpose Financial Statements, which provide an overview of the State's financial position and the results of financial operations by fund type.

The Office of Budget and Management is responsible for the accuracy of the data presented and the completeness and fairness of its presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the State of Ohio. All disclosures necessary to enable the reader to gain an understanding of the State's financial activities have been included.

The State's General Purpose Financial Statements include all funds and account groups for which the State exercises "oversight responsibility." We followed the criteria established in the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, to determine the funds and account groups over which the State has this responsibility. Note 1 A. to the financial statements explains more fully which financial activities are included in and which are excluded from the State's reporting entity.

The CAFR includes the following: introductory information; financial information that presents the General Purpose Financial Statements, combining financial statements, supporting schedules, and fund descriptions; and a statistical section that presents financial, economic, and demographic data for the State.

FINANCIAL PRESENTATION

The data in the financial statements are presented in accordance with a fund classification system prescribed by the Governmental Accounting Standards Board. The purpose of this system is to improve the comparability of the financial reports of different governmental units.

The system has three categories of funds: governmental, proprietary, and fiduciary. Each category is divided into several "fund types."

Governmental fund types are those through which State functions are financed. There are four governmental fund types: General, special revenue, debt service, and capital projects funds.

Proprietary fund types are used to account for activities that are commercial in nature -- similar to those often found in the private sector. There are two proprietary fund types: enterprise and internal service funds.

Fiduciary fund types include trust funds, which account for assets held by the State in a trustee capacity, and agency funds, which account for assets held by the State as an agent for individuals, private organizations, other governments, and/or other funds.

The reporting format for our CAFR is significantly different from the way the State more typically presents its finances on a budgetary basis. The most obvious difference is that the "General Fund" in the CAFR includes more than just the State's General Revenue Fund. The General Fund also includes the Budget Stabilization Fund and reimbursement-supported funds used for activities administered by State agencies and departments for which special revenue or proprietary fund classifications were considered to be inappropriate.

INDEPENDENT AUDIT RESULTS

The General Purpose Financial Statements have been audited jointly by the Office of Auditor of State, Thomas E. Ferguson, and Ernst & Young, a nationally recognized certified public accounting firm. The results of this audit are included in this report.

The outcome of the joint audit conducted by the Auditor of State and Ernst & Young, in accordance with generally accepted auditing standards, was an unqualified auditor's report ("clean opinion") on the governmental, internal service, and fiduciary funds and on the account groups.

For the enterprise fund type, the audit highlighted inadequacies in claims history records maintained by the Bureau of Workers' Compensation (BWC). These deficiencies, cited in a separate report issued by BWC's independent auditors, Peat Marwick Main & Co., affect the actuarial estimates made for projected claims. Because of these and other matters, the State's auditors were unable to render an opinion on the enterprise fund type, within which Workers' Compensation represents the predominant activity.

The State is continuing its efforts to resolve these deficiencies so that improved financial reporting will be achieved.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The State's management is responsible for establishing and maintaining an internal control structure designed to ensure that the State's assets are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The State's Central Accounting System (CAS) achieves budgetary control over the various accounts of the State's funds. The bicameral legislature, the General Assembly, authorizes expenditures by appropriating funds in biennial and supplemental appropriation acts. The Office of Budget and Management uses CAS to control subsequent departmental obligation and expenditure activity to ensure that the authorized appropriations are not exceeded.

The State's budgetary financial statements are prepared on a modified cash basis of accounting. This means that revenues are recognized when cash is received and expenditures are recognized when cash is paid. Encumbrances, reservations of appropriation authority, as of June 30, the end of the State fiscal year, are reflected as expenditures on the budgetary basis of accounting.

The State's GAAP financial statements for the governmental and expendable trust funds have been prepared on a modified accrual basis of accounting. This means that revenues are recognized when measurable and available; expenditures are recognized when goods or services are received or liabilities incurred. The proprietary and pension trust funds are accounted for on the accrual basis of accounting. This means that revenues are recognized when earned and expenses are recognized when incurred.

Additional discussion of the budgetary and GAAP bases of accounting is provided in Note 1 to the financial statements.

CAS maintains all budgetary-basis transactions and most GAAP-basis adjustments. In addition to the information obtained from the CAS for financial reporting, selected financial information provided by the State's agencies and departments is compiled to complete the GAAP-basis financial statements.

Differences between the two bases of accounting (budgetary vs. GAAP) include: (1) entity differences--the GAAP reporting entity may include organizations such as financing authorities and other component units that are not included in the State's budget; (2) basis differences -- the GAAP basis results in the reporting of accruals while the budgetary basis results in the reporting of cash transactions; and (3) timing differences -- for example, GAAP recognizes expenditures for payables for goods and services received, whereas the budgetary basis considers unliquidated encumbrances as expenditures. A reconciliation between the GAAP-basis and budgetary-basis financial statements is presented in Note 3 to the financial statements.

CASH MANAGEMENT

In Ohio, with the exception of certain component units of the State that have independent powers to manage and invest their funds, the Treasurer of State is responsible for investing the State's cash pool. During fiscal year 1989, cash management and investment transactions made by the Treasurer of State's Office, in accordance with the Uniform Depository Act, were limited to checking accounts and certificates of deposit with qualified public depositories, U.S. government and agency obligations, and repurchase agreements. For fiscal year 1989, investment earnings on the State's cash pool managed by the Treasurer of State totaled $207.2 million.

Quarterly, the Office of Budget and Management allocates the interest income earned on the cash pool to the various funds designated by law to receive the earnings. The allocation is calculated in accordance with a formula that is based on average daily cash balances invested during the quarter.

GENERAL GOVERNMENTAL FUNCTIONS

The following schedule presents a summary of revenues, recorded on the modified accrual basis, for the governmental fund types (General, special revenue, debt service, and capital projects funds) for the fiscal year ended June 30, 1989, and the amount and percentage increases and decreases in relation to prior-year revenues.

(amounts expressed in thousands)

Revenues	FY 1989 Amount	Percent of Total	Increase (Decrease) from FY 1988	Percentage Increase (Decrease) Since June 30, 1988
Income Taxes	$ 3,903,008	24.9%	$ 540,314	16.1%
Sales Taxes	3,397,204	21.6	171,352	5.3
Corporate and Public Utility Taxes	1,524,635	9.7	105,284	7.3
Motor Vehicle Fuel Taxes	824,273	5.3	13,051	1.6
Other Taxes	706,746	4.5	16,536	2.4
Licenses, Permits and Fees	584,155	3.7	37,369	6.8
Sales, Services and Charges	67,612	.4	4,597	7.3
Federal Government	4,114,718	26.2	264,467	6.9
Other	582,194	3.7	51,127	9.6
Total	$15,704,545	100.0%	$ 1,204,097	8.3

Expenditures for governmental fund types, presented on the modified accrual basis, for the fiscal year ended June 30, 1989, and the amount and percentage increases and decreases in relation to prior-year expenditures are shown below for the functions of general government.

(amounts expressed in thousands)

Expenditures	FY 1989 Amount	Percent of Total	Increase (Decrease) from FY 1988	Percentage Increase (Decrease) Since June 30, 1988
Current:				
Primary, Secondary and Other Education	$ 3,777,680	23.2%	$ 204,221	5.7%
Higher Education	1,357,778	8.4	74,752	5.8
Public Assistance and Medicaid	4,191,661	25.8	427,256	11.4
Health and Human Services	1,467,552	9.0	35,428	2.5
Justice and Public Protection	742,957	4.6	81,855	12.4
Environmental Protection and Natural Resources	195,193	1.2	19,176	10.9
Transportation	1,079,675	6.7	(67,059)	(5.9)
General Government	277,122	1.7	24,747	9.8
Community and Economic Development	325,580	2.0	8,934	2.8
Local Government Support, Tax Relief and Other	1,721,921	10.6	172,208	11.1
Capital Outlay	494,305	3.0	(64,916)	(11.6)
Debt Service	621,829	3.8	(7,786)	(1.2)
Total	$16,253,253	100.0%	$ 908,816	5.9

An additional analysis of revenues and expenditures for all governmental funds reported for fiscal year 1989 is shown in the graphic presentation that follows this letter.

PROPRIETARY AND FIDUCIARY FUNDS

The State's enterprise funds reported a retained earnings deficit of $2.7 billion, as of June 30, 1988, as compared to $2.6 billion, as of June 30, 1989, a 3.7 percent decrease. Operating revenues for the enterprise funds increased from $3.5 billion in fiscal year 1988 (restated after the effects of the reclassification explained in Note 2 to the financial statements) to $3.9 billion in fiscal year 1989; operating expenses increased from $2.9 billion in fiscal year 1988 to $3.2 billion in fiscal year 1989.

The State's internal service funds reported retained earnings of $234.1 million, as of June 30, 1988, (after restatement for prior period adjustment) as compared to $243 million, as of June 30, 1989, a 3.8 percent increase. Operating revenues for the internal service funds decreased from $177.4 million in fiscal year 1988 to $167 million in fiscal year 1989; comparative information on operating expenses for fiscal year 1988 and 1989 is not available since depreciation expense data for fiscal year 1988 was not reported due to a lack of information on fixed assets.

The fund balance of the expendable trust fund increased by 72.4 percent in fiscal year 1989 from $482.6 million, as of June 30, 1988, to $832 million, as of June 30, 1989. Revenues for the expendable trust fund decreased by 7.3 percent from $946.5 million in fiscal year 1988 to $877.4 million in fiscal year 1989 while expenditures decreased 13.1 percent from $607.6 million in fiscal year 1988 to $528 million in fiscal year 1989.

Retained earnings of the pension trust fund was $150.8 million, as of June 30, 1988, as compared to $173.6 million, as of June 30, 1989, a 15 percent increase. Operating revenues for the pension trust fund increased from $26.5 million in fiscal year 1988 to $29.3 million in fiscal year 1989; operating expenses increased from $6.4 million in fiscal year 1988 to $6.5 million in fiscal year 1989.

DEBT ADMINISTRATION

Ohio's credit ratings by both Moody's Investors Service, Inc. (Moody's) and Standard & Poor's Corporation (S&P) for certain State general obligation bonds are Aa and AA, respectively, except that S&P rates the State's Highway Obligations and the Highway Improvement bonds AAA. Obligations issued by the Ohio Building Authority (OBA) and the Ohio Public Facilities Commission (OPFC) are rated A by Moody's and A+ by S&P.

As of June 30, 1989, the State reported a total of $4.2 billion in outstanding debt issues in its General Long-Term Obligations Account Group as follows (amounts expressed in millions):

	Outstanding Balance, as of June 30, 1989	Percentage Increase (Decrease) Since June 30, 1988
GENERAL OBLIGATION BONDS	$ 723	(4.49)%
REVENUE BONDS	164	(1.43)
SPECIAL OBLIGATION BONDS	3,287	10.22
TOTAL	$ 4,174	6.87

In addition, Ohio reported $55.3 million in revenue bonds outstanding (net of unamortized discounts of $4 million), as of June 30, 1989, for the proprietary funds, representing a less than one percent decrease since June 30, 1988.

RETIREMENT SYSTEMS

State employees may be eligible to participate in the Public Employees Retirement System, the State Teachers Retirement System, or the State Highway Patrol Retirement System. Further information on the State's participation in the retirement systems can be found in Note 9 to the financial statements.

RISK MANAGEMENT

As discussed in Note 1 N. to the financial statements, the State is self-insured for claims arising from health care, workers' compensation, vehicle liability, public fidelity blanket bonds, property losses, and tort liability.

ECONOMIC OVERVIEW AND OUTLOOK

Barring any unforeseen, dramatic downturns, economists generally believe U.S. economic growth will continue, but at a slower rate. Many economists contend that the weak growth in net exports and equipment spending will lead the U.S. economy through slower economic growth in late 1990. Corporate profits are expected to decline, thus affecting capital spending, hiring, and production decisions. Predicted slower growth may have an adverse impact on Ohio's fiscal condition.

The short-term economic forecast indicates Ohio will experience moderate growth through 1990 followed by slower growth in early 1991. In the past, Ohio's economic growth has typically lagged behind U.S. economic growth and national recessions have hit Ohio harder than the U.S. as a whole. This has been due mainly to Ohio's strong dependence upon manufacturing, especially the steel and auto industries. In recent years, however, employment growth in Ohio has been concentrated largely in the service and nonmanufacturing sectors. Since January 1983, Ohio's heavy industry and manufacturing concerns have substantially revitalized plant and equipment which contributed to significant improvements in productivity, production capacity, and competitiveness. These developments have contributed to a reversal of Ohio's economic performance since a lesser portion of employment is devoted to manufacturing. The unemployment rate has dropped from a high of 13.8 percent in 1983 to approximately six percent in 1989.

JOBS AND BUSINESS IN OHIO

Some recent highlights on jobs and business in Ohio include the following:

- Bridgestone Tire Co. of America recently moved its headquarters to Akron after acquiring Firestone Tire & Rubber Co. Prior to the acquisition, Firestone had relocated its headquarters from Akron to Chicago, Illinois.
- More than 300 European and 180 Japanese firms now call Ohio home.
- Henkel Corporation, a West German company, is building a $130 million oleochemical complex in Cincinnati.
- Among states, Ohio is ranked third largest in providing export-related jobs in connection with its $21 billion a year export business.
- From 1984 to 1988, Ohio has been ranked first in the Midwest (fifth in the nation) in creating job opportunities.

OTHER FISCAL YEAR 1989 HIGHLIGHTS

- The State issued its first audited Comprehensive Annual Financial Report for the fiscal year ended June 30, 1988, in March 1989.

- Standard & Poor's Corporation upgraded its rating for Ohio Building Authority and Ohio Public Facilities obligations from A to A+ in September 1988.

- The new Vern Riffe Center for Government and the Arts, located in Columbus, opened its doors in late fall of 1988 and now houses a number of State agencies and a regional theatre with its own company, Players Theatre of Columbus.

- In January 1989, the State instituted a new vehicle registration program, which provides Ohioans the option to renew their registration by mail.

- In May 1989, the State began laying the ground work for the establishment of a new State agency when legislation creating the Department of Drug Addiction Services was introduced in the Ohio General Assembly for ultimate passage in October 1989.

- In June 1989, the Ohio General Assembly passed three major bills: 1) House Bill 222, a law designed to produce a more efficient and cost-effective workers' compensation system in Ohio; 2) Senate Bill 140, a law establishing new reforms in the State's education system; and 3) House Bills 111 and 381 provided general operating and transportation appropriations for the State's 1990-91 biennium. The appropriations bills provided, among other items, for the establishment of the State's Education Improvement Fund and an increase in the State's gas taxes for improved highway funding.

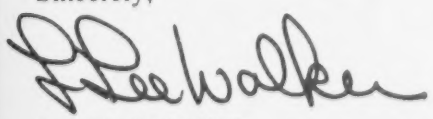
ADDITIONAL INFORMATION

In an effort to enhance the usefulness of supplementary financial data presented in the State's CAFR, we have included a mail-in questionnaire at the end of this report. We hope the questionnaire will provide our users with the opportunity to voice their comments and suggestions on the State's CAFR, and possibly, on what other types of data they would prefer to see incorporated in future reports. This year we also offer additional financial information on the State of Ohio, including 1988 and 1989 comparative data, on diskette. Information on how to order this material is contained on the questionnaire.

ACKNOWLEDGMENTS

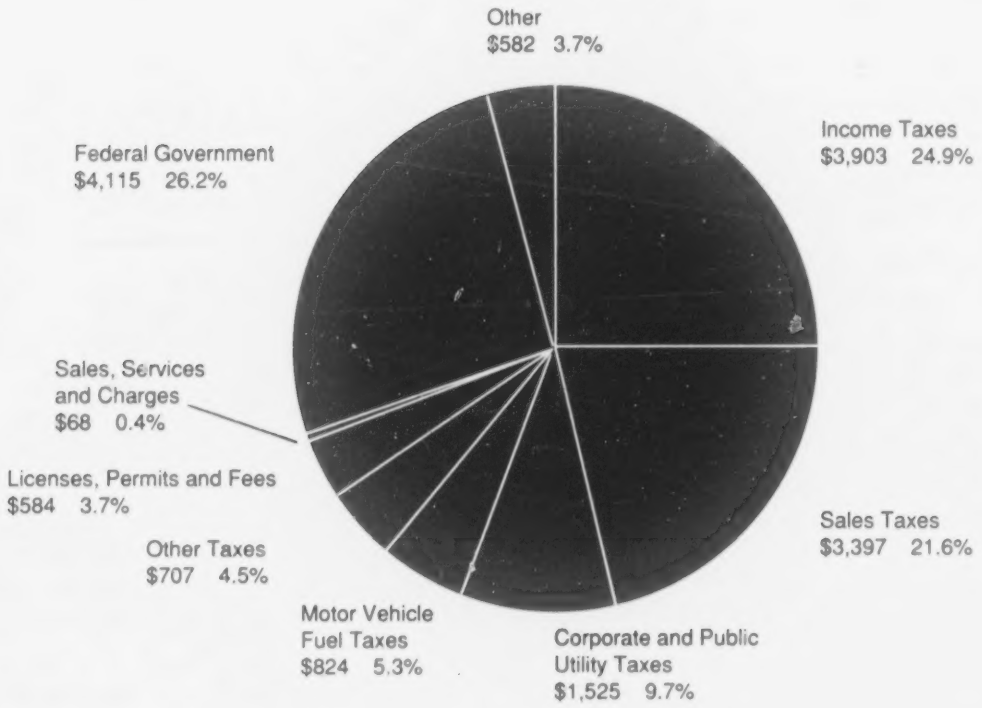
In conclusion, I wish to express my appreciation to the staffs of the various State agencies whose time and dedicated efforts made this report possible.

Sincerely,

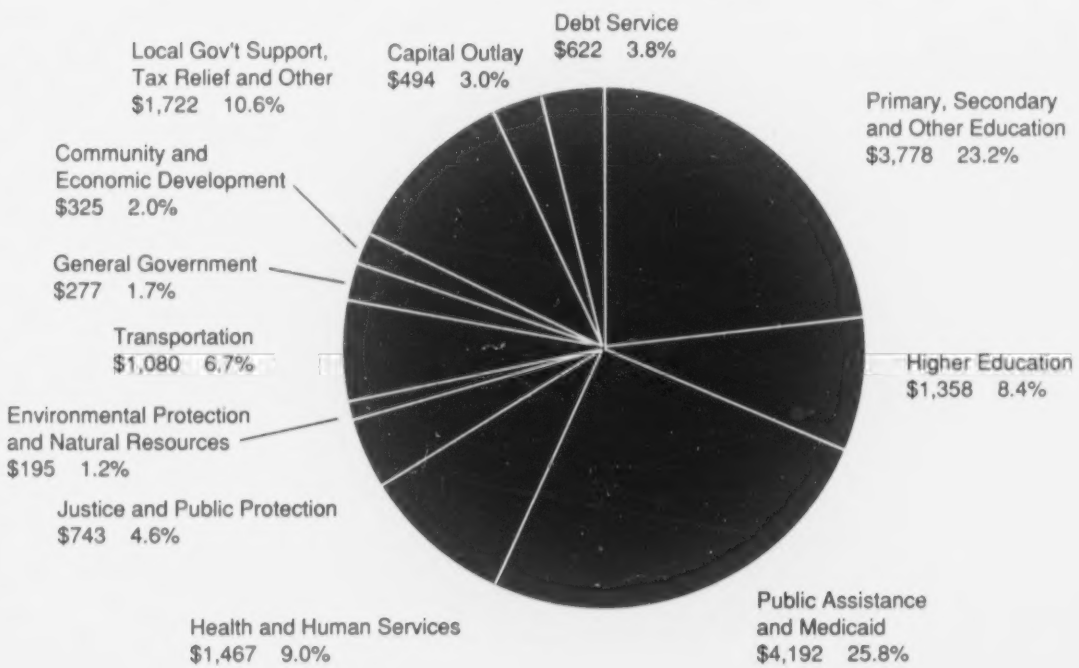


L. LEE WALKER
Director

Revenues for All Governmental Funds
State Fiscal Year 1989
(millions of dollars)



Expenditures for All Governmental Funds
State Fiscal Year 1989
(millions of dollars)



STATE OF OHIO OFFICIALS

EXECUTIVE

Richard F. Celeste
Governor

Paul R. Leonard
Lieutenant Governor

Anthony J. Celebrezze, Jr.
Attorney General

Thomas E. Ferguson
Auditor of State

Mary Ellen Withrow
Treasurer of State

Sherrod C. Brown
Secretary of State

LEGISLATIVE

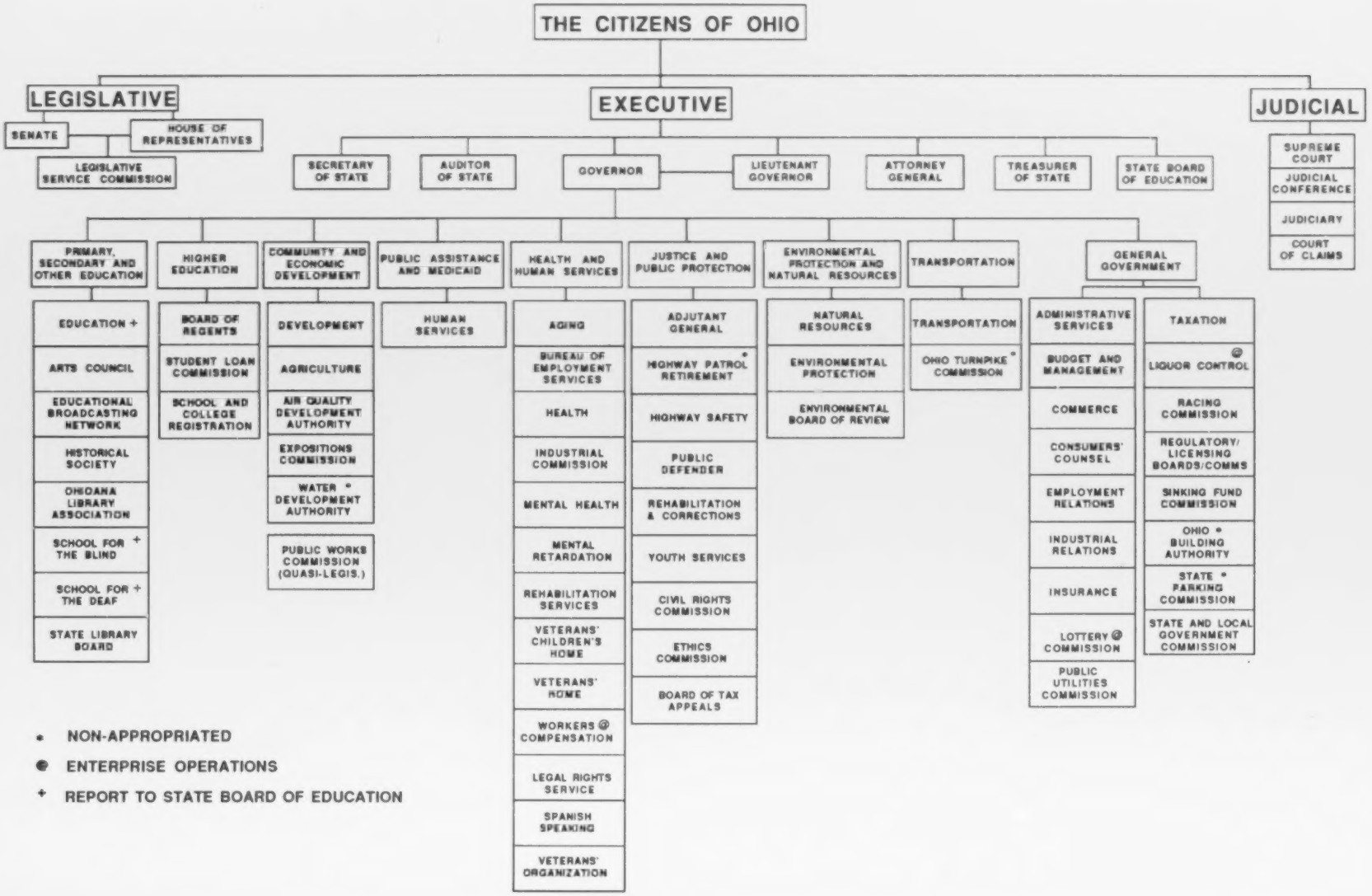
Stanley J. Aronoff
President of the Senate

Vern Riffe
Speaker of the House

JUDICIAL

Thomas J. Moyer
Chief Justice,
Supreme Court

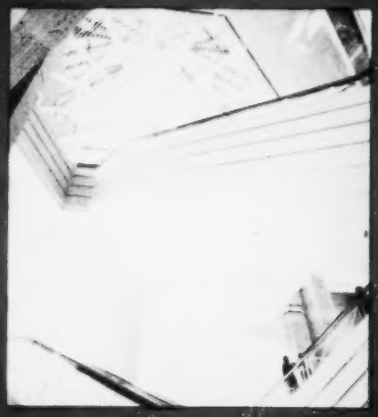
STATE OF OHIO ORGANIZATION CHART



• NON-APPROPRIATED

@ ENTERPRISE OPERATIONS

\+ REPORT TO STATE BOARD OF EDUCATION



FINANCIAL SECTION

THOMAS E. FERGUSON
AUDITOR OF STATE
COLUMBUS, OHIO 43266-0040

Ernst & Young
2400 Nationwide Plaza
Columbus, Ohio 43215

REPORT OF INDEPENDENT AUDITORS

December 8, 1989

The Honorable Richard F. Celeste, Governor
State of Ohio
Columbus, Ohio

We have audited the accompanying general purpose financial statements of the State of Ohio, as of and for the year ended June 30, 1989, as listed in the table of contents. These financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the following component units and funds: the Ohio Air Quality Development Authority, the Ohio Water Development Authority, the Ohio Housing Finance Agency, the Economic Development Financing Division, the Minority Development Finance Commission, the Ohio Public Facilities Commission, the Ohio Turnpike Commission, the Ohio Building Authority, the State Parking Commission, the Ohio Bureau of Workers' Compensation and Industrial Commission of Ohio and the State Highway Patrol Retirement System, which statements reflect the following percent of total assets or liabilities and revenue of the indicated fund type and account groups:

	Percent of Total Assets/(Liabilities)	Percent of Total Revenues
Special Revenue fund type	16%	3%
Debt Service fund type	75%	17%
Capital Projects fund type	9%	7%
Enterprise fund type	90%	53%
Internal Service fund type	72%	16%
Trust and Agency fund type	7%	----
General Fixed Assets account group	17%	----
General Long-Term Obligations account group	(68%)	----

The financial statements of these component units and funds were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts of these component units and funds included in the fund types and account groups comprising the general purpose financial statements is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

As more fully described in Note 18, the accounting records of the Ohio Bureau of Workers' Compensation and Industrial Commission of Ohio are not adequate to permit proper measurement of certain assets and liabilities, including estimates of reserves for claims. In addition, the outcome of several litigation matters is uncertain. The scope of work of their independent auditors was not sufficient to enable them to express an opinion and they did not express an opinion on the financial statements of the Ohio Bureau of Workers' Compensation and Industrial Commission of Ohio, which are reported as part of the enterprise fund type.

Because the auditors of the financial statements of the Ohio Bureau of Workers' Compensation and Industrial Commission of Ohio, as described in the previous paragraph, did not express an opinion on such financial statements which statements reflect total assets of 90 percent and revenues of 53 percent of the related totals of the enterprise fund type, we are unable to and do not express an opinion on the financial statements of the enterprise fund type.

In our opinion, based on our audit and reports of other auditors, the general purpose financial statements referred to in the first paragraph, other than those of the enterprise fund type on which we disclaim an opinion as described in the previous paragraph, present fairly, in all material respects, the financial position of the State of Ohio at June 30, 1989, and the results of its operations and the cash flows of its internal service fund type and pension trust fund for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Ohio. Such information has been subjected to the auditing procedures applied in our audit of the general purpose statements and, in our opinion, except with respect to the enterprise fund type, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

We did not examine the data included in the statistical section of this report and, therefore, express no opinion thereon.

Thomas E. Ferguson

Ernst & Young

GENERAL PURPOSE
FINANCIAL
STATEMENTS

STATE OF OHIO

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1989

(amounts expressed in thousands)

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	TOTAL (MEMORANDUM ONLY)
ASSETS AND OTHER DEBITS										
Cash Equity with Treasurer	$ 1,116,919	$ 1,055,419	$ 110,337	$ 336,901	$ 27,867	$ 28,390	$ 168,708	$ —	$ —	$ 2,844,541
Cash with Custodian	—	11,952	12,899	4,178	8,682	1,540	28,973	—	—	68,224
Investments	—	81,364	342,807	22,816	5,835,646	2,752	825,380	—	—	7,110,765
Deposit with Federal Government	—	—	—	—	—	—	652,641	—	—	652,641
Security Deposits	—	—	—	—	—	—	262,754	—	—	262,754
Receivables:										
Taxes	657,579	154,142	21,240	—	—	—	—	—	—	832,961
Intergovernmental	213,528	191,210	—	—	—	1,019	—	—	—	405,757
Employer Contributions	—	—	—	—	—	—	194,817	—	—	194,817
Premiums and Assessments	—	—	—	—	1,295,095	—	—	—	—	1,295,095
Loans, Net	—	195,078	—	—	—	—	—	—	—	195,078
Other	7,537	18,907	20,387	6,763	102,526	67,093	39,127	—	—	262,340
Due from Other Funds	17,928	23,817	171,921	6,824	1,702	26,841	6,956	—	—	255,989
Advance to Other Funds	36	—	—	—	—	2,571	—	—	—	2,607
Inventories	1,510	37,004	—	—	22,549	15,345	—	—	—	76,408
Advance Payments to Subrecipients	—	3,027	—	—	—	—	—	—	—	3,027
Deposit with Deferred Compensation Plan	—	—	—	—	—	—	216,111	—	—	216,111
Restricted Assets:										
Cash and Investments	—	16,268	—	—	—	425,578	—	—	—	441,846
Cash Equity with Treasurer	—	—	—	—	300,508	—	—	—	—	300,508
Dedicated Investments	—	—	—	—	418,870	—	—	—	—	418,870
Fixed Assets	—	—	—	—	308,857	81,793	—	2,148,915	—	2,539,565
Less Accumulated Depreciation	—	—	—	—	(52,889)	(47,323)	—	—	—	(100,212)
Other Assets	186	24,965	—	—	92,921	1,373	43	—	—	119,488
Amount Available in Debt Service for General Long-Term Obligations	—	—	—	—	—	—	—	—	670,339	670,339
Amount to be Provided for the Retirement of General Long-term Obligations	—	—	—	—	—	—	—	—	4,182,422	4,182,422
TOTAL ASSETS AND OTHER DEBITS	**$ 2,015,223**	**$ 1,813,153**	**$ 679,591**	**$ 377,482**	**$ 8,362,334**	**$ 606,972**	**$ 2,395,510**	**$ 2,148,915**	**$ 4,852,761**	**$ 23,251,941**

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	TOTAL (MEMORANDUM ONLY)
LIABILITIES, FUND EQUITY AND OTHER CREDITS										
Liabilities:										
Accounts Payable	$ 70,058	$ 111,772	$ —	$ —	$ 36,814	$ 7,442	$ —	$ —	$ —	$ 226,086
Medicaid Claims Payable	322,528	—	—	—	—	—	—	—	—	322,528
Accrued Liabilities	70,562	301,286	—	24,888	6,330	24,332	594,912	—	—	1,022,310
Due to Other Funds	20,264	15,567	—	—	2,646	179,133	43,352	—	—	260,962
Deferred Revenues	94	35,430	—	—	59,998	7,471	—	—	—	102,993
Workers' Compensation Benefits Payable	—	—	—	—	9,214,599	—	—	—	—	9,214,599
Refund and Other Liabilities	405,271	65,918	9,252	4,700	425,806	32,134	535,599	—	—	1,478,680
Liability for Deferred Compensation	—	—	—	—	—	—	216,111	—	—	216,111
Liabilities Payable from Restricted Assets	—	—	—	—	698,432	57,395	—	—	—	755,827
Advance from Other Funds	1,832	246	—	—	—	529	—	—	—	2,607
General Obligation Bonds	—	—	—	—	—	—	—	—	723,050	723,050
Revenue Bonds	—	—	—	—	687	54,662	—	—	164,490	219,839
Special Obligation Bonds	—	—	—	—	—	—	—	—	3,286,844	3,286,844
Other General Long-Term Obligations	—	—	—	—	—	—	—	—	678,377	678,377
Total Liabilities	890,609	530,219	9,252	29,588	10,445,312	363,098	1,389,974	—	4,852,761	18,510,813
Fund Equity and Other Credits:										
Investment in General Fixed Assets	—	—	—	—	—	—	—	2,148,915	—	2,148,915
Contributed Capital	—	—	—	—	—	861	—	—	—	861
Net Unrealized Gains on Investments	—	—	—	—	546,243	—	—	—	—	546,243
Retained Earnings:										
Reserved	—	—	—	—	157,038	193,523	—	—	$ —	350,561
Unreserved (deficits)	—	—	—	—	(2,786,259)	49,490	—	—	—	(2,736,769)
Fund Balances:										
Reserved for:										
Debt Service	—	—	670,339	—	—	—	—	—	—	670,339
Encumbrances	194,347	964,079	—	215,520	—	—	—	—	—	1,373,946
Noncurrent Portion of Loans Receivable	—	178,542	—	—	—	—	—	—	—	178,542
Pension Benefits and Other	1,732	46,623	—	24,879	—	—	173,564	—	—	246,798
Unreserved/Designated for:										
Budget Stabilization	340,041	—	—	—	—	—	—	—	—	340,041
Other	22,217	86,326	—	—	—	—	—	—	—	108,543
Unreserved/Undesignated	566,277	7,364	—	107,495	—	—	831,972	—	—	1,513,108
Total Fund Equity (Deficits) and Other Credits	1,124,614	1,282,934	670,339	347,894	(2,082,978)	243,874	1,005,536	2,148,915	—	4,741,128
TOTAL LIABILITIES, FUND EQUITY, AND OTHER CREDITS	**$ 2,015,223**	**$ 1,813,153**	**$ 679,591**	**$ 377,482**	**$ 8,362,334**	**$ 606,972**	**$ 2,395,510**	**$ 2,148,915**	**$ 4,852,761**	**$ 23,251,941**

The notes to the financial statements are an integral part of this statement.

STATE OF OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE
REVENUES:			
Income Taxes	$ 3,478,469	$ 424,539	$ —
Sales Taxes	3,231,133	166,071	—
Corporate and Public Utility Taxes	1,445,514	79,121	—
Motor Vehicle Fuel Taxes	—	773,921	50,352
Unemployment Taxes	—	—	—
Other Taxes	587,852	57,549	61,345
Licenses, Permits and Fees	68,368	515,433	354
Sales, Services and Charges	47,384	20,131	—
Federal Government	1,963,912	2,150,358	448
Other	207,508	303,959	46,222
TOTAL REVENUES	**11,030,140**	**4,491,082**	**158,721**
EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	2,791,622	986,058	—
Higher Education	1,315,939	41,839	—
Public Assistance and Medicaid	3,914,288	277,373	—
Health and Human Services	618,135	849,417	—
Justice and Public Protection	546,048	196,909	—
Environmental Protection and Natural Resources	84,308	110,885	—
Transportation	37,876	1,009,024	—
General Government	202,661	74,461	—
Community and Economic Development	80,905	244,675	—
Local Government Support, Tax Relief and Other	613,826	1,108,095	—
CAPITAL OUTLAY	36,570	11,106	—
DEBT SERVICE	—	—	621,829
TOTAL EXPENDITURES	**10,242,178**	**4,909,842**	**621,829**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**787,962**	**(418,760)**	**(463,108)**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	19,933
Operating Transfers-in	67,886	970,369	564,765
Operating Transfers-out	(491,028)	(516,748)	(7,000)
TOTAL OTHER FINANCING SOURCES (USES)	**(423,142)**	**453,621**	**577,698**
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	**364,820**	**34,861**	**114,590**
FUND BALANCES, JULY 1	759,817	1,244,110	555,749
INCREASE (DECREASE) FOR CHANGES IN INVENTORIES	(23)	3,963	—
FUND BALANCES, JUNE 30	**$ 1,124,614**	**$ 1,282,934**	**$ 670,339**

The notes to the financial statements are an integral part of this statement.

	FIDUCIARY FUND TYPE	
CAPITAL PROJECTS	EXPENDABLE TRUST	TOTAL (MEMORANDUM ONLY)
$ —	$ —	$ 3,903,008
—	—	3,397,204
—	—	1,524,635
—	—	824,273
—	839,283	839,283
—	—	706,746
—	—	584,155
97	—	67,612
—	—	4,114,718
24,505	38,134	620,328
24,602	**877,417**	**16,581,962**
—	—	3,777,680
—	—	1,357,778
—	—	4,191,661
—	528,000	1,995,552
—	—	742,957
—	—	195,193
32,775	—	1,079,675
—	—	277,122
—	—	325,580
—	—	1,721,921
446,629	—	494,305
—	—	621,829
479,404	**528,000**	**16,781,253**
(454,802)	**349,417**	**(199,291)**
563,845	—	583,778
47,416	—	1,650,436
(385)	—	(1,015,161)
610,876	—	**1,219,053**
156,074	**349,417**	**1,019,762**
191,820	482,555	3,234,051
—	—	3,940
$ 347,894	**$ 831,972**	**$ 4,257,753**

STATE OF OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	$ 3,220,100	$ 3,394,405	$ 174,305
Sales Taxes	3,213,600	3,260,310	46,710
Corporate and Public Utility Taxes	1,411,200	1,453,867	42,667
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	587,000	589,883	2,883
Licenses, Permits and Fees	61,454	68,749	7,295
Sales, Services and Charges	47,575	47,813	238
Federal Government	1,977,630	1,970,116	(7,514)
Other	316,345	338,507	22,162
TOTAL REVENUES	**10,834,904**	**11,123,650**	**288,746**
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	2,811,100	2,801,769	9,331
Higher Education	1,321,022	1,317,610	3,412
Public Assistance and Medicaid	3,889,036	3,879,945	9,091
Health and Human Services	684,739	667,645	17,094
Justice and Public Protection	546,128	536,030	10,098
Environmental Protection and Natural Resources	99,579	95,771	3,808
Transportation	35,263	35,140	123
General Government	383,934	360,154	23,780
Community and Economic Development	114,321	111,357	2,964
Local Government Support, Tax Relief and Other	614,398	613,242	1,156
CAPITAL OUTLAY	64,856	29,296	35,560
DEBT SERVICE	522,605	452,246	70,359
TOTAL BUDGETARY EXPENDITURES	**11,086,981**	**10,900,205**	**186,776**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	**(252,077)**	**223,445**	**475,522**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	69,534	74,305	4,771
Operating Transfers-out	(64,270)	(81,427)	(17,157)
Encumbrance Reversions	—	39,669	39,669
TOTAL OTHER FINANCING SOURCES (USES)	**5,264**	**32,547**	**27,283**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	**(246,813)**	**255,992**	**502,805**
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1	338,720	338,720	—
Increase in Designated for Budget Stabilization	(56,127)	(56,127)	—
Increase in Designated for Capital Reserve	(22,217)	(22,217)	—
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	13,563	516,368	502,805
Designated for Budget Stabilization, June 30	340,041	340,041	—
Designated for Capital Reserve, June 30	22,217	22,217	—
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	**$ 375,821**	**$ 878,626**	**$ 502,805**

The notes to the financial statements are an integral part of this statement.

SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ 414,002	$ 414,002	$ —	$ —	$ —	$ —
163,808	163,808	—	—	—	—
79,905	79,905	—	—	—	—
762,496	762,496	—	50,187	50,187	—
51,669	51,669	—	66,314	66,314	—
531,995	531,995	—	354	354	—
14,485	14,485	—	—	—	—
2,081,129	2,081,129	—	—	—	—
287,145	287,145	—	81,632	81,632	—
4,386,634	**4,386,634**	—	**198,487**	**198,487**	—
1,043,549	1,040,332	3,217	—	—	—
15,083	13,948	1,135	—	—	—
305,691	299,660	6,031	—	—	—
819,646	770,460	49,186	—	—	—
235,184	204,869	30,315	—	—	—
134,068	112,602	21,466	—	—	—
1,226,709	1,019,299	207,410	—	—	—
83,439	74,500	8,939	—	—	—
340,710	279,367	61,343	—	—	—
1,208,578	1,173,932	34,646	—	—	—
30,378	13,475	16,903	—	—	—
5,000	5,000	—	203,263	198,475	4,788
5,448,035	**5,007,444**	**440,591**	**203,263**	**198,475**	**4,788**
(1,061,401)	**(620,810)**	**440,591**	**(4,776)**	**12**	**4,788**
—	—	—	433	433	—
1,036,476	1,036,476	—	—	—	—
(416,113)	(416,113)	—	—	—	—
138,727	138,727	—	—	—	—
759,090	**759,090**	—	**433**	**433**	—
$ (302,311)	**138,280**	**$ 440,591**	**$ (4,343)**	**445**	**$ 4,788**
	(202,525)			109,891	
	—			—	
	—			—	
	(64,245)			110,336	
	—			—	
	—			—	
	$ (64,245)			**$ 110,336**	

STATE OF OHIO

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES ALL PROPRIETARY FUND TYPES AND PENSION TRUST FUND FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE
	ENTERPRISE	INTERNAL SERVICE	PENSION TRUST
OPERATING REVENUES:			
Charges for Sales and Services	$ 1,784,815	$ 164,727	$ —
Premium and Assessment Income	1,513,765	—	—
Investment Income	622,792	—	14,535
Employer Contributions	—	—	10,385
Employee Contributions	—	—	3,788
Other	25,062	2,309	548
TOTAL OPERATING REVENUES	**3,946,434**	**167,036**	**29,256**
OPERATING EXPENSES:			
Costs of Sales and Services	241,175	85,275	—
Administration	221,381	47,978	396
Prizes and Claims	694,432	—	—
Benefit Payments and Refunds	1,801,646	—	6,123
Depreciation	13,007	9,695	—
Other	246,196	4,950	—
TOTAL OPERATING EXPENSES	**3,217,837**	**147,898**	**6,519**
OPERATING INCOME	**728,597**	**19,138**	**22,737**
NONOPERATING REVENUES (EXPENSES):			
Investment Income	321	17,640	—
Interest Expense	(42)	(12,065)	—
Other	274	(6,732)	—
TOTAL NONOPERATING REVENUES (EXPENSES)	**553**	**(1,157)**	**—**
INCOME BEFORE OPERATING TRANSFERS	729,150	17,981	22,737
OPERATING TRANSFERS:			
Operating Transfers-out	(626,187)	(9,097)	—
NET INCOME	**102,963**	**8,884**	**22,737**
RETAINED EARNINGS (DEFICITS) FUND BALANCES, JULY 1 (as restated)	(2,732,184)	234,129	150,827
RETAINED EARNINGS (DEFICITS)/ FUND BALANCES, JUNE 30	**$ (2,629,221)**	**$ 243,013**	**$ 173,564**

The notes to the financial statements are an integral part of this statement.

TOTAL (MEMORANDUM ONLY)	
$	1,949,542
	1,513,765
	637,327
	10,385
	3,788
	27,919
	4,142,726
	326,450
	269,755
	694,432
	1,807,769
	22,702
	251,146
	3,372,254
	770,472
	17,961
	(12,107)
	(6,458)
	(604)
	769,868
	(635,284)
	134,584
	(2,347,228)
$	**(2,212,644)**

STATE OF OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND PENSION TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1989
(amounts expressed in thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTAL (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	PENSION TRUST	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating Income	$ 728,597	$ 19,138	$ 22,737	$ 770,472
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	13,007	9,695	—	22,702
Provision for Uncollectible Accounts	29,337	—	—	29,337
Amortization of Discount	760	957	—	1,717
Loss on Sale of Capital Assets	21	—	—	21
Change in Assets and Liabilities:				
Increase in Premiums and Assessments Receivable	(132,592)	—	—	(132,592)
Decrease in Intergovernmental Receivables	—	221	—	221
Decrease (Increase) in Other Receivables	(41,792)	187	122	(41,483)
Decrease (Increase) in Due from Other Funds	44	5,869	(645)	5,268
Increase in Inventories	(319)	(2,785)	—	(3,104)
Increase in Other Current Assets	(1,693)	(237)	(2)	(1,931)
Decrease in Other Noncurrent Assets	—	1	—	1
Decrease in Noncurrent Other Receivables	—	3,175	—	3,175
Increase (Decrease) in Accounts Payable	17,367	(4,799)	—	12,568
Decrease in Accrued Liabilities	(1,498)	(21,291)	—	(22,789)
Increase in Due to Other Funds	530	37,231	—	37,761
Increase (Decrease) in Deferred Revenues	39,148	(4,893)	—	34,255
Increase (Decrease) in Refund and Other Liabilities	7,668	463	(114)	8,017
Increase (Decrease) in Noncurrent Accrued Liabilities	716	(3,077)	—	(2,361)
Increase in Liabilities Payable from Restricted Assets	162,264	—	—	162,264
Increase in Workers' Compensation Benefits Payable	604,450	—	—	604,450
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	**1,426,016**	**39,855**	**22,098**	**1,487,969**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating Transfers-out	(626,187)	(9,097)	—	(635,284)
NET CASH FLOWS USED FOR NONCAPITAL FINANCING ACTIVITIES	**(626,187)**	**(9,097)**	**—**	**(635,284)**

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	
	ENTERPRISE	INTERNAL SERVICE	PENSION TRUST	TOTAL (MEMORANDUM ONLY)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: :				
Retirement of Revenue Bond Principal	(691)	(1,653)	—	(2,344)
Interest Paid	(76)	(12,176)	—	(12,252)
Retirement of Certificates of Participation	—	(12,104)	—	(12,104)
Acquisition and Construction of Capital Assets	(76,588)	(4,810)	—	(81,398)
Proceeds from Sales of Fixed Assets	—	26	—	26
Decrease in Advance to Other Funds	—	5	—	5
Decrease in Advance From Other Funds	—	(669)	—	(669)
NET CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	**(77,355)**	**(31,381)**	**—**	**(108,736)**
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from the Sales and Maturities of Investments	1,180,811	9,319	—	1,190,130
Purchase of Investments	(1,996,312)	(27,377)	(22,078)	(2,045,767)
Interest and Dividends on Investments	365	15,419	—	15,784
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(815,136)**	**(2,639)**	**(22,078)**	**(839,853)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(92,662)**	**(3,262)**	**20**	**(95,904)**
CASH AND CASH EQUIVALENTS, JULY 1, 1988	429,719	33,356	61	463,136
CASH AND CASH EQUIVALENTS, JUNE 30, 1989	**$ 337,057**	**$ 30,094**	**$ 81**	**$ 367,232**
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	$ —	$ (7,658)	$ —	$ (7,658)
Increase in Capital Leases	—	7,135	—	7,135
Increase in Contributed Capital	—	523	—	523
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	**$ —**	**$ —**	**$ —**	**$ —**

The notes to the financial statements are an integral part of this statement.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the State of Ohio present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the cash flows of the proprietary and pension trust funds. The financial statements are presented, as of June 30, 1989, and for the year then ended, and have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). The State's significant accounting policies are described below.

A. Financial Reporting Entity

For financial reporting purposes, the State includes all funds, account groups, elected offices, departments, and agencies of the State, as well as bureaus, boards, commissions, and authorities over which the State's executive, legislative, or judicial branches exercise oversight responsibility. Oversight responsibility is defined in GASB Codification Section 2100 and includes the following considerations: financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters. Also considered are the scope of an organization's public service and special financing relationships.

Based on the application of the GASB Codification criteria, the following additional organizations meet the oversight criteria and are also included in the accompanying financial statements:

Ohio Public Facilities Commission
Ohio Building Authority
State Parking Commission
Ohio Higher Education Facility Commission
Ohio Housing Finance Agency
Ohio Air Quality Development Authority
Ohio Water Development Authority
State Highway Patrol Retirement System (SHPRS)
Ohio Turnpike Commission
Ohio Student Loan Commission
Ohio Lottery Commission

The following organizations have been determined not to be part of the reporting entity after applying the manifestations of oversight responsibility criteria of GASB Codification Section 2100, and therefore, have been excluded from the accompanying financial statements:

Public Employees Retirement System (PERS)
School Employees Retirement System (SERS)
State Teachers Retirement System (STRS)
Police and Firemen's Disability and Pension Fund (PFDPF)
Ohio Public Employees Deferred Compensation Board (PEDCB)
All State-assisted universities and colleges

The PERS, SERS, STRS, PFDPF, and PEDCB are not included in the reporting entity because the majority of the boards are elected by plan members and the boards designate management; exercise autonomy over fiscal, investment, and personnel matters; and are responsible for financing deficits.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The retirement systems listed on the previous page and the PEDCB maintain a portion of their assets with the Treasurer of State who serves as custodian of the assets. The assets remain under the administrative and financial control of the retirement systems, which maintain separate independent accounting systems. The retirement systems' assets other than those of the SHPRS are not reported in the State's financial statements. State employees' participation in the PEDCB is reported in an agency fund, as described in NOTE 17.

The State-assisted universities and colleges are not included in the reporting entity because their trustees are not authoritatively appointed; designate management; exercise autonomy over fiscal, personnel, and institutional matters; are responsible for financing deficits; and generally can issue bonds secured by student receipts.

B. Basis of Presentation — Fund Accounting

The State of Ohio uses funds and account groups to report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting entity designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect expendable available financial resources. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types."

A description of each fund type and account group follows.

1. Governmental Fund Types

General — The General Fund accounts for current financial resources traditionally associated with government, which are not required legally or by sound financial management practices to be accounted for in another fund.

Special Revenue — The special revenue funds account for specific revenues that are legally restricted to expenditure for designated purposes. The general administrative activities of the Ohio Turnpike Commission, Ohio Water Development Authority, and Ohio Air Quality Development Authority are included in the special revenue funds for their fiscal years ended December 31, 1988.

Debt Service — The debt service funds account for the accumulation of resources for the payment of general long-term debt principal and interest. The debt service activities of the Ohio Turnpike Commission are included in the debt service funds for its fiscal year ended December 31, 1988.

Capital Projects — The capital projects funds account for the acquisition and construction of major capital facilities and for major repairs and replacements other than those financed by proprietary funds and trust funds. The capital projects activities of the Ohio Turnpike Commission are included in the capital projects funds for its fiscal year ended December 31, 1988.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Proprietary Fund Types

Enterprise — The enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises — where the State's intent is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the State has decided that periodic determination of net income is appropriate for accountability purposes. The Ohio Bureau of Workers' Compensation and the State Parking Commission are included in the enterprise funds for their fiscal years ended December 31, 1988.

Internal Service — The internal service funds account for the financing of goods or services provided by a State department or agency to other State agencies and to other government units, on a cost-reimbursement basis.

3. Fiduciary Fund Types

Trust funds account for assets held by the State in a trustee capacity. Trust funds included are expendable and pension trust funds. Agency funds account for assets held by the State as an agent for individuals, private organizations, other governments, and/or other funds. The State Highway Patrol Retirement System is included as a pension trust fund for its fiscal year ended December 31, 1988.

4. Account Groups

General Fixed Assets — The General Fixed Assets Account Group accounts for fixed assets acquired or constructed for use by the State for general governmental purposes. These include all fixed assets except those accounted for in the proprietary funds.

General Long-Term Obligations — The General Long-Term Obligations Account Group accounts for the State's unmatured general obligation bonds and other long-term obligations not required to be accounted for in the proprietary and pension trust funds.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental and expendable trust funds are accounted for using a flow of current financial resources measurement focus. Under this measurement focus, only current assets and current liabilities generally are presented on the balance sheet; increases (i.e., revenue and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets are presented in these funds' operating statements.

Proprietary and pension trust funds are accounted for using a flow of economic resources measurement focus. Under this measurement focus, all assets and liabilities associated with the operations of these funds are presented on the balance sheet; fund equity (i.e., net assets) is segregated on the balance sheet into two components, contributed capital and retained earnings. Increases (e.g., revenues) and decreases (e.g., expenses) in net assets are presented in these funds' operating statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The modified accrual basis of accounting has been applied to all governmental, expendable trust, and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, that is, when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The State considers revenues as available, if they are collected within 60 days after year end.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made in the subsequent fiscal year.

Significant revenue sources susceptible to accrual under the modified accrual basis of accounting follow:

Sales and use taxes
Personal income taxes
Motor vehicle fuel taxes
Charges for goods and services

Licenses, permits, fees, and certain other miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. The "Other" revenue account is comprised of refunds, reimbursements, recoveries, investment earnings, and other miscellaneous income. In the capital projects funds, "Other" revenue primarily includes investment earnings.

Deferred revenue, as reported on the State's combined balance sheet, represents resources received before the State has a legal claim to them, such as the receipt of federal grant monies prior to the incurrence of qualifying expenditures. When the State has a legal claim to the resources, the revenue is recognized.

The accrual basis of accounting has been applied to proprietary and pension trust funds. Under this method, revenues are recorded when earned, and expenses are recorded when incurred.

D. Budgetary Process

As required by the Ohio Revised Code, the Governor submits biennial operating and capital budgets to the General Assembly. The particular budget, which includes those funds of the State subject to appropriation pursuant to State law, is composed of all proposed expenditures for the State and of estimated revenues and borrowings for a biennium.

The General Assembly enacts the budget through passage of specific departmental line-item appropriations by program or major object of expenditures, the legal level of budgetary control. The governor may veto any item in an appropriation bill, subject to legislative override.

Biennially, the Ohio General Assembly approves operating and capital appropriations. Operating appropriations are provided in annual amounts while capital appropriations are provided in two-year amounts.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Because capital project funds' appropriations are not made on an annual basis, budgetary basis financial statements for these funds are not presented.

Transfers of appropriations between years of a biennium and budget revisions during a year, reflecting program changes or intradepartmental transfers of an administrative nature, may be effected with certain executive and legislative branch approval. Only the General Assembly, however, may transfer or authorize the conditions under which appropriations may be transferred between departments.

All governmental funds are budgeted except the following activities within the fund types:

Special Revenue Fund:
- Ohio Turnpike Commission

Capital Projects Fund:
- Ohio Turnpike Commission
- Ohio Building Authority

Debt Service Fund:
- Economic Development Bond Service
- Ohio Turnpike Commission Bond Service
- Ohio Public Facilities Commission
- Ohio Building Authority
- Bureau of Employment Services
- Salt Fork Bond Retirement
- Enterprise Bond Retirement

For budgeted funds, the State's Central Accounting System controls expenditures by fund and by line-item for items established in appropriation acts. A modified cash basis of accounting is used for budgetary purposes. Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded as a reserve of the applicable appropriations, is employed as an extension of formal budgetary integration in the State's accounting system. Encumbrances outstanding in the General, special revenue, and capital projects funds at fiscal year end are reported as reservations of fund balance for expenditure in subsequent years. Operating encumbrances are generally canceled five months after fiscal year end while capital encumbrances are automatically reappropriated. More comprehensive accounting of activity on the budgetary basis is provided in the separately published annual Ohio Budgetary Financial Report, which is available upon request.

In the Combined Statement of Revenues, Expenditures and Changes in Fund Balances--Budget and Actual (Budgetary Basis), budgeted revenues for the General Fund represent periodically updated revenue budgets. For other budgeted funds, the original budgeted revenues, as submitted by the Governor, do not represent actual forecasts of revenues and are not amended to coincide with any legislative changes to the original expenditure budget. Accordingly, budgeted revenues and other financing sources and uses for budgeted funds other than the General Fund are reported at actual amounts, since the State does not have updated, budgeted revenue and other financing sources and uses amounts for use in the accompanying budgetary basis financial statements.

Because the State budgets on a modified cash basis of accounting, which differs from GAAP, a reconciliation of the differences between the GAAP basis and the budgetary basis of reporting is presented in NOTE 3.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash Equity with Treasurer/Cash with Custodian

Cash equity with Treasurer is carried at cost, which approximates market. All cash deposited with the Treasurer of State to the credit of appropriated funds, including the cash float, consists of pooled investments primarily composed of demand deposits, short-term securities, and other investments. Cash with custodian is comprised of amounts on deposit with financial institutions. Cash equity with Treasurer and cash with custodian are considered to be cash equivalents for purposes of the Statement of Cash Flows.

F. Security Deposits

Security deposits include various deposit and investment instruments placed by their owners in safekeeping with the Treasurer of State, as required by applicable statutes.

G. Investments

Investments include long-term investments that may be restricted by law or other legal instruments. Investments are carried at cost or amortized cost (which does not exceed market) except those of the Bureau of Workers' Compensation Enterprise Fund and Deferred Compensation Agency Fund, which are reported at market. No investments are considered to be cash equivalents for purposes of the Statement of Cash Flows.

H. Inventories

For governmental funds, the costs of inventories acquired are recorded as expenditures when purchased. At year end, physical counts are taken of significant inventories for the governmental fund types and are generally valued at weighted-average cost. Proprietary fund inventories are valued at cost, which approximates market, principally on a first-in, first-out consumption method.

I. Restricted Assets

Assets restricted for the payment of severance pay to eligible employees covered under the Ohio Turnpike Commision's Employee Severance Anticipation Compensation Plan are reported in the special revenue funds.

Assets restricted for payment of deferred prize awards (Ohio Lotto) are reported for the Ohio Lottery Commission in the enterprise funds.

Assets held by a trustee in connection with the State's certificate of participation financing arrangements are classified in the internal service funds as restricted assets, since their use is limited by applicable leases and trust agreements (See NOTE 14). The portion of restricted assets comprised of cash is considered to be a cash equivalent for purposes of the Statement of Cash Flows.

Additionally, covenants for the Ohio Building Authority's bonds require its pledged receipts also be held and invested in a reserve account placed with a trustee financial institution. These restricted assets are reported in the internal service funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Fixed Assets

General Fixed Assets — General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value at acquisition date. The costs of normal maintenance and repairs that do not add to the asset value or materially extend an asset's useful life are not capitalized. The cost of major improvements is capitalized.

Public domain ("infrastructure") general fixed assets consisting of among other assets, roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized, since these assets are immovable and of value only to the government.

Assets in the General Fixed Assets Account Group are not depreciated.

Proprietary and Fiduciary Fund Fixed Assets — Fixed assets are stated at cost or, for donated assets, at fair market value at acquisition date. Fixed assets, excluding land, are depreciated on the straight-line method over estimated service lives. Material interest is capitalized on proprietary fund fixed assets acquired through the issuance of debt.

K. Long-Term Obligations

A long-term obligation is recognized as a liability of a governmental fund when due. Only that portion expected to be financed from expendable available financial resources is reported as a liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-Term Obligations Account Group. Included among these liabilities are the noncurrent portions of liabilities resulting from debt issuances, compensated absences, judgments, contingencies, leases, and workers' compensation benefits. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

As discussed in NOTES 11 and 12, bonds issued by the Ohio Building Authority (OBA) to finance State-related projects are reported as special obligation bonds in the General Long-Term Obligations Account Group while OBA bonds issued to finance local government projects for State purposes are reported as revenue bonds in the internal service funds.

L. Compensated Absences

State employees earn vacation leave, sick leave, and personal leave at various rates within limits specified under collective bargaining agreements or under law. Such leave is liquidated in cash, under certain restrictions, either annually in December, or at the time of termination from State employment. For governmental funds, the noncurrent portion of the liability for compensated absences is reported in the General Long-Term Obligations Account Group. For proprietary fund types, the liability for compensated absences is reported as a current accrued liability.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulated rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave benefits that is estimated to be taken as "terminal leave" prior to retirement.

M. Reservations/Designations of Fund Equity

Reservations
Reserves represent those portions of the fund equity not appropriable for expenditure/expense or which are legally restricted to a specific future use.

Designations
Designated fund balances represent tentative plans for future use of financial resources.

N. Self-Insurance

In general, the State is self-insured for health care claims, workers' compensation, vehicle liability, public fidelity blanket bonds, property losses, and tort liability . Estimates for significant incurred but not reported claims are included in accrued liabilities.

O. Intergovernmental Revenues/Receivables

Intergovernmental revenues primarily represent resources from reimbursement-type grants received from the federal government. Intergovernmental receivables and revenues are recorded when the related grant expenditures/expenses are incurred.

P. Interfund Transactions

The State records the following types of transactions among funds:

Operating Transfers — Legally required transfers are reported when incurred as "operating transfers-in" by the receiving fund and as "operating transfers-out" by the disbursing fund.

Transfers of Expenditures (Reimbursements) — Reimbursements of expenditures made by one fund for another are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/ expenses in the reimbursed fund.

Residual Equity Transfers — Nonroutine or nonrecurring transfers between funds are reported as additions to or deductions from fund equity.

Quasi-external Transactions — Charges or collections for services rendered by one fund to another are recorded as revenues of the receiving fund and expenditures/expenses of the disbursing fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A summary of the State's interfund receivables and payables and operating transfers, as of June 30, 1989, is presented in NOTE 7.

Q. Memorandum Only —Total Columns

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with GAAP. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 RESTATEMENTS AND RECLASSIFICATIONS

Certain restatements of retained earnings balances, as of June 30, 1988, as discussed below, have been reflected in the General Purpose Financial Statements. The majority of the items relate to including amounts for previously omitted fixed assets and capital lease obligations.

For the Liquor Control Fund, retained earnings was reduced by $2.2 million to reflect, principally, compensated absences payable at June 30, 1988.

For the Support Services Fund, retained earnings was reduced by $791 thousand to correct an error in the fixed asset balance.

For the Ohio Data Network Fund, retained earnings was restated to reflect the recording of fixed assets and accumulated depreciation in the net amount of $17 million and the recording of liabilites and certain capital lease obligations of $10.2 million.

Additionally, information to determine the values of fixed assets and accumulated depreciation for the Ohio Penal Industries ($2.8 million) and Telecommunications ($11 million) internal service funds was not available. Retained earnings, as of June 30, 1988, for these funds was restated to reflect determinations of these amounts.

NOTE 2 RESTATEMENTS AND RECLASSIFICATIONS (Continued)

The following summarizes restatements (amounts expressed in thousands) for these funds.

	June 30, 1988, Retained Earnings (Deficits) As Reported Previously	Increase (Decrease) For Restatement	July 1, 1988, Retained Earnings (Deficits) As Restated
Enterprise Fund			
Liquor Control	$ 16,199	$ (2,219)	$ 13,980
All others	(2,746,164)	----	(2,746,164)
Total	$ (2,729,965)	$ (2,219)	$ (2,732,184)
Internal Service Funds			
Ohio Data Network	$ 17,113	$ 6,866	$ 23,979
Ohio Penal Industries	12,638	2,768	15,406
Support Services	12,513	(791)	11,722
Telecommunications	(13,031)	11,119	(1,912)
All others	184,934	----	184,934
Total	$ 214,167	$ 19,962	$ 234,129

Certain significant reclassifications, which have been made in the 1989 financial statements, are summarized as follows:

- Interest earnings on investments held to fund the insurance liability for the Workers' Compensation Enterprise Fund have been classified as operating income because these earnings are a primary source of operating revenue.

- The Regulatory Special Revenue Fund, a separate column in the June 30, 1988, report, has been combined with the Other Special Revenue Fund column.

Other minor reclassifications were made as necessary to comply with current reporting practices.

NOTE 3 GAAP vs. BUDGETARY BASIS

Actual revenues, operating transfers-in, expenditures, encumbrances, and operating transfers-out on the budgetary basis do not equal those reported on the GAAP basis in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances — All Governmental Fund Types and Expendable Trust Fund. This inequality results primarily from basis differences in the recognition of accruals, deferred revenue, interfund transactions, loan transactions, and from the budgetary basis of accounting for encumbrances. On the budgetary basis, encumbrances are recognized as expenditures in the year encumbered, while on the modified accrual basis, expenditures are recognized when goods or services are received regardless of the year encumbered.

Budgetary expenditures in the accompanying Combined Statement of Revenues, Expenditures and Changes in Fund Balances--Budget and Actual (Budgetary Basis) represent original appropriations modified by supplemental and amended appropriations.

A reconciliation of the fund balances recorded under the two bases for the General, special revenue, and debt service funds is presented on the following page.

NOTE 3 GAAP vs. BUDGETARY BASIS (Continued)

Reconciliation of GAAP Basis Fund Balances to Budgetary Basis Fund Balances
June 30, 1989
(amounts expressed in thousands)

	General	Special Revenue	Debt Service
Total Fund Balances -- GAAP Basis	$ 1,124,614	$ 1,282,934	$ 670,339
Less: Unbudgeted Fund Balances	----	323,316 *	536,294
Total Budgeted Fund Balances -- GAAP Basis	1,124,614	959,618	134,045
Less: Reserved Fund Balances	196,079	1,032,529	134,045
Less: Designated Fund Balances	362,258	70,059	----
Unreserved/Undesignated Fund Balances -- GAAP Basis	566,277	(142,970)	----
BASIS DIFFERENCES			
Revenue Accruals/Adjustments:			
Taxes Receivable	(657,579)	(154,142)	----
Intergovernmental Receivable	(213,528)	(135,568)	----
Loans Receivable	----	(8,397)	----
Deferred Revenues	94	30,548	----
Other Receivables	(7,537)	(3,716)	----
Due from Other Funds	(17,928)	(23,461)	----
Subtotal	(896,478)	(294,736)	----
Expenditure Accruals/Adjustments:			
Accounts Payable	70,058	90,620	----
Medicaid Claims Payable	322,528	----	----
Accrued Liabilities	70,562	251,524	----
Due to Other Funds	20,264	14,850	----
Refund and Other Liabilities	405,271	46,765	----
Advance from Other Funds	1,832	210	----
Encumbrances	(43,947)	(99,702)	----
Subtotal	846,568	304,267	----
Other Adjustments:			
Fund Balance Reclassifications:			
From Undesignated (Budgetary Basis) to Designated for Budget Stabilization	340,041	----	----
Other Reclassifications	22,217	70,059	110,336
Other	1	(865)	----
Subtotal	362,259	69,194	110,336
Total Basis Differences	312,349	78,725	110,336
Unreserved/Undesignated and Designated for Budget Stabilization and Capital Reserve Fund Balances (Deficits) -- Budgetary Basis	$ 878,626	$ (64,245)	$ 110,336

* In addition to the Ohio Turnpike Commission, this amount includes certain activities within the Community and Economic Development, Employment Services, Education, Student Loan Commission, Revenue Distribution, and Other special revenue funds, which are not budgeted.

NOTE 4 DEPOSITS AND INVESTMENTS

A. Legal Requirements

The deposit and investment policies of the Treasurer of State and the State Board of Deposit are governed by the Uniform Depository Act, Chapter 135, Ohio Revised Code, which requires that monies held by the State be maintained in one of the following three classifications:

Active Deposits — Those monies required to be kept in a cash or near-cash status to meet current demands. Such monies must be maintained either as cash in the State's treasury or in any of the following:

- A commercial account that is payable or withdrawable, in whole or in part, on demand;
- A negotiable order of withdrawal account;
- A money market deposit account; or
- A designated warrant clearance account.

Inactive Deposits — Those monies not required for use within the current two-year period of designation of depositories. Inactive monies may be deposited or invested only in certificates of deposit maturing not later than the end of the current period of designation of depositories.

Interim Deposits — Those monies not required for immediate use, but needed before the end of the current period of designation of depositories. Interim deposits may be deposited or invested in the following instruments:

- Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
- Bonds, notes, debentures, or other obligations or securities issued by any federal government agency, or the Export-Import Bank of Washington;
- Repurchase agreements in the securities enumerated above;
- Interim deposits in the eligible institutions applying for interim monies;
- Bonds and other obligations of the State of Ohio;
- The Treasurer of State's investment pool;
- Linked deposits, reduced-rate deposits at financial institutions that provide reduced-rate loans to small businesses, as authorized under Section 135.63, Ohio Revised Code;
- Agricultural linked deposits, reduced-rate deposits at financial institutions placed on or before June 30, 1987, that provide reduced-rate loans to farmers, as authorized under Section 135.74, Ohio Revised Code;
- Reverse repurchase agreements with any eligible financial institution that is a member of the federal reserve system or federal home loan bank, or any recognized U. S. government securities dealer;

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

- Securities lending agreements with any eligible financial institution that is a member of the federal reserve system or federal home loan bank, or any recognized U.S. government securities dealer;

- Commercial paper maturing in 180 days or less, rated in one of the two highest rating categories by two nationally recognized rating agencies, and not exceeding five percent of the investment portfolio; and

- Bankers' acceptances maturing in 270 days or less and not exceeding 10 percent of the investment portfolio.

The State's deposits must be held in insured depositories approved by the State Board of Deposit and must be fully collateralized.

In some cases, deposit and investment policies of certain individual funds and component units are established by Ohio Revised Code provisions other than the Uniform Depository Act and by bond trust agreements. In accordance with applicable statutory authority, the State Highway Patrol Retirement System Pension Trust Fund and the Ohio Bureau of Workers' Compensation may also invest in common and preferred stocks, corporate bonds and notes, mortgage loans, real estate, and/or other investments.

B. Deposits

As of June 30, 1989 (December 31, 1988, for the Ohio Water Development Authority, Ohio Bureau of Workers' Compensation, State Highway Patrol Retirement System, State Parking Commission, and Ohio Turnpike Commission), the carrying amount of the State's deposits was $333,089 and the bank balance was $368,242. Of the bank balance, $44,634 was fully insured or collateralized with securities held by the State or its agent in the State's name, $277,983 was collateralized with securities held by the pledging financial institution's trust department or its agent in the State's name, and $45,625 was uninsured and uncollateralized.

C. Investments

The State categorizes investments to give an indication of the level of risk assumed by the State at year end. Category 1 includes investments that are insured, registered, or held by the State or its agent in the State's name. Category 2 includes uninsured and unregistered investments held by the counterparty's trust department or its agent in the State's name. Category 3 includes uninsured and unregistered investments held by the counterparty, its trust department, or its agent, but not in the State's name.

Certain investments have not been categorized because the securities are not used as evidence of the investment. These uncategorized investments include ownership in mutual funds, and limited partnerships, the deposit with the federal government, security deposits, and the deposit with the State's deferred compensation plan.

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

The following summary identifies the level of credit risk assumed by the State and the total carrying amount and market value of the State's investments, as of June 30, 1989 (December 31, 1988, for the Ohio Bureau of Workers' Compensation, Ohio Air Quality Development Authority, the Ohio Water Development Authority, State Highway Patrol Retirement System, State Parking Commission, and Ohio Turnpike Commission) (amounts expressed in thousands):

	Carrying Amount				Market Value
	Category 1	Category 2	Category 3	Total	
U.S. government obligations and U.S. government agency obligations	$ 5,217,720	$ 705,373	$ 254,424	$ 6,177,517	$ 6,190,582
Municipal obligations	19,443	----	67,609	87,052	87,052
Common and preferred stock	55,344	1,319,511	----	1,374,855	1,388,411
Corporate bonds and notes	27,843	1,784,803	----	1,812,646	1,811,764
Repurchase agreements	52,804	837	36,249	89,890	89,890
Commercial paper	----	713,139	----	713,139	713,139
Mortgage loans	----	623,036	----	623,036	623,036
Other investments	2,175	4,700	7,456	14,331	14,331
Total	$ 5,375,329	$ 5,151,399	$ 365,738	10,892,466	10,918,205
Mutual funds				163,630	163,630
Investment in limited partnership				1,149	1,149
Deposit with federal government				652,641	652,641
Security deposits				262,754	262,754
Deposit with deferred compensation plan				216,111	216,111
Total				$ 12,188,751	$12,214,490

The total carrying amount of the State's deposits and investments, as of June 30, 1989, reported in the State's financial statements is $12,316,260. The total carrying amount of the State's deposits and investments categorized and/or disclosed in this Note is $12,521,840. A reconciliation of the difference follows (amounts expressed in thousands):

	Deposits	Investments	Total
Cash equity with Treasurer (Restricted and unrestricted)	$ 43,322	$ 3,101,727	$ 3,145,049
Cash with custodian	68,224	----	68,224
Deposit with federal government	----	652,641	652,641
Security deposits	----	262,754	262,754
Investments	19,961	7,090,804	7,110,765
Deposit with deferred compensation plan	----	216,111	216,111
Restricted Assets:			
Cash and investments with custodian	767	441,079	441,846
Dedicated investments	----	418,870	418,870
Carrying amount per combined balance sheet	132,274	12,183,986	12,316,260
Outstanding warrants and other open items	200,815	4,765	205,580
Total deposits/investments categorized and/or disclosed	$ 333,089	$ 12,188,751	$ 12,521,840

NOTE 5 LOANS RECEIVABLE

Loans receivable reported in the special revenue funds, as of June 30, 1989, consisted of the following (amounts expressed in thousands):

	Community and Economic Development	Education	Student Loan Commission	Natural Resources	Other	Total
Economic Development	$ 131,059	$ ----	$ ----	$ ----	$ ----	$ 131,059
Minority Business	5,236	----	----	----	----	5,236
Emergency School Advancement	----	21,227	----	----	----	21,227
Public School Building	----	19,144	----	----	----	19,144
Student Loans	----	----	11,541	----	----	11,541
Ohio Housing Finance Agency	6,650	----	----	----	----	6,650
Natural Resources	----	----	----	169	----	169
Agriculture	----	----	----	----	52	52
Total	$ 142,945	$ 40,371	$ 11,541	$ 169	$ 52	$ 195,078

NOTE 6 TAXES

Taxes receivable, as of June 30, 1989, consisted of the following (amounts expressed in thousands):

	General	Special Revenue	Debt Service	Total
Income Taxes	$ 327,825	$ 41,850	$ ----	$ 369,675
Sales Taxes	315,216	16,241	----	331,457
Motor Vehicle Fuel Taxes	----	89,908	8,923	98,831
Other Taxes	14,538	6,143	12,317	32,998
Total	$ 657,579	$ 154,142	$ 21,240	$ 832,961

As of June 30, 1989, refund liabilities related to income and corporation franchise taxes, totaling $396 million, were reported as "Refund and Other Liabilities," of which $357 million was recorded in the General Fund and $39 million was recorded in the special revenue funds.

NOTE 7 INTERFUND RECEIVABLES AND PAYABLES/OPERATING TRANSFERS

Interfund receivables and payables, and operating transfers, as of June 30, 1989, are summarized as follows (amounts expressed in thousands):

Fund Type/Fund	Due from	Due to	Operating Transfers-in	Operating Transfers-out
General	$ 17,928	$ 20,264	$ 67,886	$ 491,028
Special Revenue:				
Community and Economic Development	520	94	1,628	41,711
Employment Services	----	146	3,085	11,811
Education	786	9,775	556,855	----
Highway Safety	9,835	1,398	86,933	----
Highway Operating	1,469	210	313,134	90,511
Ohio Turnpike Commission	----	452	----	45,776
Revenue Distribution	7,951	137	25	316,150
Other Special Revenue Funds	3,256	3,355	8,709	10,789
Subtotal	23,817	15,567	970,369	516,748
Debt Service:				
Economic Development Bond Service	----	----	40,841	----
Development Bond Retirement	1	----	19,016	----
Public Improvements Bond Retirement	----	----	18,172	----
Special Distribution Bond Retirement	----	----	----	7,000
Vietnam Conflict Compensation Bond Retirement	1	----	21,250	----
Ohio Public Facilities Commission	----	----	296,374	----
Ohio Building Authority	171,367	----	97,116	----
Bureau of Employment Services	----	----	40,021	----
Enterprise Bond Retirement	----	----	18,396	----
Other Debt Service Funds	552	----	13,579	----
Subtotal	171,921	----	564,765	7,000
Capital Projects:				
Ohio Turnpike Commission	----	----	47,416	----
Other Capital Projects Funds	6,824	----	----	385
Subtotal	6,824	----	47,416	385
Enterprise:				
Liquor Control	----	77	----	70,332
Ohio Lottery Commission	1,702	2,569	----	555,855
Subtotal	1,702	2,646	----	626,187
Internal Service:				
Ohio Building Authority	----	177,106	----	9,097
Ohio Data Network	10,261	276	----	----
Ohio Penal Industries	7,115	1,206	----	----
Other Internal Service Funds	9,465	545	----	----
Subtotal	26,841	179,133	----	9,097
Pension Trust:				
State Highway Patrol	1,685	----	----	----
Agency:				
Holding and Distribution	----	30,876	----	----
Payroll Withholding and Fringe Benefits	259	7,468	----	----
Other Agency Funds	5,012	5,008	----	----
Subtotal	5,271	43,352	----	----
Subtotal - Trust and Agency Funds	6,956	43,352	----	----
Total per Financial Statements	255,989	260,962	1,650,436	1,650,445
Reconciliation for Timing Differences for Funds with December 31, 1988, Year Ends	6,994	2,021	9	----
Reconciled Total	$ 262,983	$ 262,983	$ 1,650,445	$ 1,650,445

NOTE 8 FIXED ASSETS

A summary of fixed assets by category follows (amounts expressed in thousands):

	Enterprise	Internal Service	General Fixed Assets	Total
Land	$ 19,376	$ ----	$ 157,234	$ 176,610
Buildings	134,249	2,788	1,383,896	1,520,933
Land Improvements	----	----	78,215	78,215
Machinery and equipment	59,708	78,714	139,829	278,251
State vehicles	2,040	291	162,139	164,470
Construction-in-progress	93,484	----	227,602	321,086
Subtotal	308,857	81,793	2,148,915	2,539,565
Less: Accumulated depreciation	(52,889)	(47,323)	----	(100,212)
Total	$ 255,968	$ 34,470	$ 2,148,915	$ 2,439,353

No projects were under construction, for the year ended June 30, 1989, that resulted in capitalized interest for the proprietary fund types.

State capital appropriations to State-assisted universities and colleges are not reflected in the assets above, but are generally capitalized and reported in the respective financial statements of those entities.

Changes in general fixed assets for the year ended June 30, 1989, were as follows (amounts expressed in thousands):

	Balance July 1, 1988	Additions	Deletions/ Net Transfers	Balance June 30, 1989
Land	$ 144,996	$ 13,860	$ (1,622)	$ 157,234
Buildings	959,310	27,901	396,685	1,383,896
Land improvements	63,668	----	14,547	78,215
Machinery and equipment	126,088	19,947	(6,206)	139,829
State vehicles	140,128	19,655	2,356	162,139
Construction-in-progress	643,384	161,142	(576,924)	227,602
Total	$ 2,077,574	$ 242,505	$ (171,164) *	$ 2,148,915

* Includes approximately $116 million, which represents adjustments to July 1, 1988, balances.

In the proprietary funds, the following estimated useful lives are used to compute depreciation:

Buildings	20 - 45 years
Machinery and equipment	5 - 20 years
State vehicles	5 years

NOTE 9 PENSION PLANS

All part-time and full-time employees and elected officials of the State are eligible to be covered by one of the following retirement plans:

Public Employees Retirement System (PERS)
State Teachers Retirement System (STRS)
State Highway Patrol Retirement System (SHPRS)

The payrolls for State employees covered by PERS, STRS, and SHPRS for the year ended June 30, 1989, were $1.45 billion, $31 million, and $42 million, respectively; the State's total payroll was $2 billion.

A. PERS and STRS

Both PERS and STRS are cost-sharing, multiple-employer public employee retirement systems.

Participants in PERS, who retire at age 60 with five or more years of service credit or at any age with 30 or more years of service credit, are eligible to annual retirement benefits. Persons may retire with a reduced benefit as early as age 55 with 25 years of service. Retirement benefits vest after five years of credited service. Law enforcement personnel can retire under the PERS plan at age 52 with 25 years of service credit or at age 62 with 15 years of service.

PERS benefit payments vary in amount depending on length of public service, final average salary, and plan of payment selection. For nonlaw enforcement personnel, final salary is determined by taking the average of the three highest years of earnable salary. For law enforcement officers, the benefit is calculated by multiplying 2.5 percent of final average salary by the first 20 years of service, two percent of final average salary by the next five years of service, and 1.5 percent of final average salary for each additional year of service (2.1 percent of final average salary for each year of service over 20 years, effective for members retiring after December 31, 1988). In no case can the age and salary benefit exceed 90 percent of final average salary or 100 percent if the effective benefit date is on or after January 1, 1989.

PERS also provides survivor and disability benefits. PERS benefits are established under Chapter 145, Ohio Revised Code.

Participants in STRS, who retire after 30 years of credited service regardless of age, or at or after age 55 with 25 years of credited service, or at or after age 60 with five years of credited service, are entitled to a maximum annual retirement benefit, payable in monthly installments for life, equal to the greater of the "two-percent formula benefit" or the "money-purchase benefit" calculation.

Under the "two-percent formula benefit" calculation, the maximum annual retirement allowance is equal to two percent of an average of a member's three highest years' salary multiplied by the member's number of years of credited service (maximum of 45 years). Under the "money-purchase benefit" calculation, a member's lifetime contributions, plus interest at specified rates, are matched by an equal amount from contributed employer funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance. Annually, after retirement, STRS benefits are increased three percent if the cost of living, as measured by the Consumer Price Index, has increased at three percent on a cumulative basis. STRS also provides death, survivor, and disability, health care, and supplemental benefits. STRS benefits are established under Chapter 3307, Ohio Revised Code.

NOTE 9 PENSION PLANS (Continued)

Employer and employee required contributions to PERS and STRS are established under the Ohio Revised Code and are based on percentages of covered employees' gross salaries, which are calculated annually by the retirement systems' actuaries. Contribution rates for fiscal year 1989 were as follows:

	Contribution Rates - Fiscal Year 1989	
	Employee Share	Employer Share
PERS:		
Regular Employees	8.50%	13.71%
Law Enforcement Employees	9.50%	18.10%
STRS	8.77%	14.00%

For PERS, 9.85 percent and 13.65 percent of the employer rate is used to fund the pension obligations of regular and law enforcement employees, respectively. For STRS, 12 percent of the employer rate is used to fund pension obligations. The difference between the total employer rates and the portion used to fund pension obligations is the amount used to fund health care programs for retirants covered under each plan.

The contribution requirement for the pension obligation under each plan for the fiscal year ended June 30, 1989, is summarized below:

	Contributed Amounts — Fiscal Year 1989 (amounts expressed in thousands)	
	Employee Share	Employer Share
PERS:		
Regular Employees	$ 122,625	$ 142,101
Law Enforcement Employees	441	634
Total	$ 123,066	$ 142,735
STRS	$ 2,750	$ 3,763

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to assist financial statement users in assessing a pension plan's funding status on a going-concern basis and progress made in accumulating sufficient assets to pay benefits when due and in making comparisons among public employee retirement systems and employers. The PERS and STRS do not make separate measurements of assets and pension benefit obligation for individual employers.

NOTE 9 PENSION PLANS (Continued)

Therefore, the pension benefit obligation determined through the most recent actuarial valuation, the net assets available for benefits, and the unfunded pension benefit obligation for PERS and STRS, as a whole, are presented below (amounts expressed in thousands):

	PERS, as of December 31, 1987	STRS, as of July 1, 1988
Pension benefit obligation	$ 14,469,000	$ 19,324,598
Net assets available for benefits (valued at cost)	11,900,000	14,258,680
Unfunded pension benefit obligation*	$ 2,569,000	$ 5,065,918

*Excludes healthcare benefits

The market value of net assets available for pension benefits for PERS was $12.3 billion at December 31, 1987; the market value of net assets available for pension benefits for STRS at July 1, 1988, was unavailable. Actuarial valuations are calculated annually by the retirement systems' actuaries.

Occasionally, the General Assembly increases benefit payments to the current PERS and STRS retirees. In certain instances, concurrent with the passage of such legislation, a provision for payment of these benefits through State appropriations is made. The State paid $3.8 million and $5.7 million to PERS and STRS, respectively, for benefit increases during the year ended June 30, 1989. Funding for these benefit increases is on a pay-as-you-go basis by the State.

The State's contribution to PERS represented 25.4 percent of total PERS contributions during calendar year 1988 of all participating entities. Information from STRS to determine the State's contribution as a percentage of total STRS contributions of all participating entities for its fiscal year ended June 30, 1989, was not available at the time of publication of this report; during fiscal year 1988, the State's contribution to STRS represented less than one percent of total STRS contributions of all participating entities.

Two-year historical trend information showing PERS's progress in accumulating sufficient assets to pay benefits when due is presented in the PERS financial report, as of December 31, 1988, the most recent data available. Ten-year historical trend information for STRS is presented in the STRS financial report, as of June 30, 1988, the most recent data available.

B. SHPRS

SHPRS was established in 1944 by the General Assembly as a single-employer, defined benefit pension plan. SHPRS is authorized under Chapter 5505, Ohio Revised Code, to provide retirement and disability benefits to retired members and survivor benefits to qualified dependents of deceased members of the Ohio State Highway Patrol.

NOTE 9 PENSION PLANS (Continued)

SHPRS' s general administration and management is vested in a six-member retirement board, which consists of three elected members and three statutory members. The board appoints an executive director, actuary, investment advisor, investment monitor, and other employees.

SHPRS membership consisted of the following, as of December 31, 1988:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	596
Current employees:	
Vested	283
Nonvested	977
Total	1,856

Contributions to SHPRS

Chapter 5505, Ohio Revised Code, requires contributions by active members and the Ohio State Highway Patrol. The employee contribution rate is established by the General Assembly, and any change in the rate requires legislative action. The employer contribution rate is established by the SHPRS Retirement Board and certified to the State of Ohio every two years. By law, the employer rate may not exceed three times the employee contribution rate. Active members and the Ohio State Highway Patrol are required to contribute nine percent and 24.66 percent, respectively, of active member payroll. Contributions may be refunded to a member who terminates employment with the Ohio State Highway Patrol or to the member's beneficiary following the member's death.

SHPRS Benefits

Members are eligible for normal retirement benefits upon reaching age 52 and accumulating at least 20 years of Ohio State Highway Patrol service credit. The benefits are a percentage of the member's final average salary, the average of the member's three highest salaried years. The percentage is determined by multiplying 2.5 percent times the first 20 years of service plus two percent times the next five years plus 1.5 percent for each year in excess of 25 years of service. A member's pension cannot exceed 72 percent of the final average salary. Early retirement with reduced benefits is available upon reaching age 48 with 20 years of service credit.

In addition to the retirement benefits, SHPRS also provides for disability, survivor, and health care benefits. Qualified dependents of a deceased member are eligible for monthly survivor benefits. All members receiving a benefit from SHPRS are eligible to receive medical insurance.

Members with credited service from prior Ohio State Highway Patrol service, military service time prior to employment, military service interrupting Ohio State Highway Patrol service, and full-time police or fire service are eligible to purchase service credit for one or all of the related retirement plans. Effective October 1987, members of the SHPRS with prior participation in Ohio's State Teachers Retirement System, School Employees Retirement System, Public Employees Retirement System, or Cincinnati Retirement System became eligible to purchase service credit for one or all of the related retirement plans.

NOTE 9 PENSION PLANS (Continued)

SHPRS Funding Status and Progress

The amount shown as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help financial statement users in assessing SHPRS's funding status on a going-concern basis and its progress in accumulating sufficient assets to pay benefits when due and in making comparisons among public employee retirement systems. The measure is independent of the actuarial funding method used to determine contributions to SHPRS.

The pension benefit obligation was determined as part of an actuarial valuation, as of December 31, 1988. Actuarial valuations are calculated annually by SHPRS's actuaries. Significant actuarial assumptions used in the valuation include the following:

- Rate of return on the SHPRS investments of 7.5 percent, compounded annually, net of administration expenses;
- Projected salary increases of 5.5 percent, compounded annually, attributable to inflation;
- Additional projected salary increases ranging from 0 to 4.2 percent a year attributable to seniority and merit;
- Post-retirement mortality life expectancies of members based on the 1971 Group Annuity Mortality Male and Female Tables, projected to 1984;
- Rates of withdrawal from active service before retirement for reasons other than death, rates of disability and expected retirement ages developed on the basis of actual plan experience;
- Health care premiums are assumed to increase 5.5 percent annually;
- Health care benefit recipients are eligible for Medicare on attainment of age 65, or immediately, if retired for disability;
- Employer contributions paid in equal installments throughout the employer fiscal year; and
- Pension benefits will increase after retirement in accordance with valuation assumptions.

Significant actuarial assumptions used to compute contribution requirements were the same as those used to compute the standardized measure of the pension benefit obligation.

NOTE 9 PENSION PLANS (Continued)

The total unfunded pension benefit obligation at December 31, 1988, was $53 million as follows (amounts expressed in thousands):

Pension Benefit Obligation:		
Retirees and beneficiaries currently receiving benefits and terminated employees not receiving benefits	$ 71,218	
Current employees:		
Accumulated employee contributions, including allocated investment income	28,429	
Employer-financed vested	52,009	
Employer-financed nonvested	51,544	
Total pension benefit obligation		$ 203,200
Net Assets Available for Pension Benefits:		
Net assets available for health care and pension benefits, at cost	173,564	
Net assets available for benefits allocated to health care benefits	(22,877)	
Net assets available for pension benefits (estimated market value is $158 million)		150,687
Unfunded pension benefit obligation		$ 52,513

The pension benefit obligation shown above does not include an estimated obligation for health care benefits, and accordingly, the net assets available for benefits is reduced by the amount applicable to health care benefits to calculate the unfunded pension benefit obligation.

SHPRS Contributions Required and Contributions Made

SHPRS's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates are determined using the entry age actuarial funding method. SHPRS also uses the level percentage of payroll method to amortize the unfunded liability over a closed, 40-year period through the year 2019.

NOTE 9 PENSION PLANS (Continued)

During calendar year 1988, contributions were made in accordance with actuarially determined contribution requirements determined through actuarial valuations performed at December 31, 1987. Total employer and employee contributions consisted of the following (amounts expressed in thousands):

	Amount	Percent of Active Member Payroll
Normal costs	$ 10,564	25.09%
Amortization of the unfunded actuarial accrued liability	3,609	8.57
Total	$ 14,173	33.66%

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Three-year trend information follows:

	1988	1987	1986
Net assets available for benefits as a percentage of pension benefit obligation	74.2%	70.0%	71.3%
Unfunded pension benefit obligation as a percentage of annual covered payroll	124.7%	147.7%	131.3%
Employer contributions as a percentage of annual covered payroll	24.7%	24.7%	24.7%

SHPRS maintains its own accounting system separately from the State's and publishes a separate publicly available component unit financial report. The available required 10-year historical trend information showing the fund's progress in accumulating sufficient assets to pay benefits when due is presented in that report, as of December 31, 1988.

SHPRS Health Care Benefits

In addition to providing pension benefits, SHPRS pays health insurance claims on behalf of all persons receiving a monthly pension or survivor benefit and Medicare Part B basic premiums for those eligible benefit recipients upon proof of coverage. The cost of retiree health care benefits is recognized as claims are incurred and premiums are paid. The calendar year 1988 expense was $617 thousand.

Health care benefits are funded on an actuarial basis. During 1988, 2.99 percent and 1.08 percent of active member payroll was allocated to fund health care normal costs and the amortization of the unfunded actuarial accrued liability, respectively, and are included in the contribution balances shown above. The net assets available for benefits allocated to health care costs at December 31, 1988, was $23 million.

The actuarial accrued liability for health care benefits, the portion of the present value of plan promises to pay benefits in the future that are not covered by future normal cost contributions, was $34 million, as of December 31, 1988.

NOTE 10 GENERAL OBLIGATION BONDS

The State has pledged its faith and credit for the payment of principal and interest on general obligation bonds accounted for and included with obligations in the General Long-Term Obligations Account Group.

At various times since 1921 Ohio voters, by 12 constitutional amendments (the last adopted in 1987), have authorized the incurrence of general obligation debt for the construction and improvement of State facilities and highways, compensation for military service during the Vietnam Conflict, research and development of coal technology, and local infrastructure improvements. In practice, general obligation bonds are retired over periods of 10 to 35 years.

As of June 30, 1989, $3.96 billion in general obligation debt (excluding Highway Obligations discussed below), had been authorized by constitutional amendment of which $2.6 billion had been issued and $355 million was outstanding; the authorization to issue $233 million had expired.

Coal Development bonds may be issued as long as the outstanding principal amount does not exceed $100 million.

Highway Obligations may be issued as long as the outstanding principal amount does not exceed $500 million. The aggregate of General Assembly authorizations, as of June 30, 1989, for Highway Obligations, was $1.34 billion, of which $1.07 billion had been issued and $368 million was outstanding. Additional Highway Obligations may be issued from time to time, as authorized by the General Assembly, as outstanding Highway Obligations are retired.

A 1987 constitutional amendment authorized the issuance of $1.2 billion of general obligation bonds for infrastructure improvements (Infrastructure Bonds), of which no more than $120 million may be issued in any year.

General obligation bonds outstanding, and bonds authorized but unissued, as of June 30, 1989, were as follows (amounts expressed in thousands):

Purpose	Issued	Average Net Interest Rates	Maturing Through	Outstanding Balance	Authorized But Unissued
Highway Obligations	1969-88	4.3-7.4%	1998	$ 367,625	$ 271,025
Highway Improvements	1971	4.4	1989	2,000	----
Improvements	1970-71	5.0-5.2	1992	39,900	----
Public Improvements	1971-75	4.3-6.0	1995	53,100	----
Vietnam Conflict Compensation	1974	5.7	1989	5,000	----
Development	1968-72	4.3-5.9	1995	95,325	----
Coal Research/Development	1986	6.2	1996	40,100	50,000
Infrastructure Improvements	1988	7.2	2003	120,000	1,080,000
Total				$ 723,050	$ 1,401,025

NOTE 10 GENERAL OBLIGATION BONDS (Continued)

Changes in general obligation bonds during the year ended June 30, 1989, are summarized in NOTE 16. Future general obligation debt service requirements, as of June 30, 1989, were as follows (amounts expressed in thousands):

Year Ending June 30,	Principal	Interest	Total
1990	$ 135,875	$ 41,790	$ 177,665
1991	120,300	34,093	154,393
1992	101,385	27,448	128,833
1993	77,050	21,845	98,895
1994	63,350	17,683	81,033
Thereafter	225,090	51,142	276,232
Total	$ 723,050	$194,001	$ 917,051

NOTE 11 SPECIAL OBLIGATION BONDS

Special obligation bonds reported in the General Long-Term Obligations Account Group have been authorized and issued by the Ohio Building Authority (OBA), the Ohio Public Facilities Commission (OPFC), and the Department of Natural Resources (DNR). OBA bonds finance the capital costs of categories of facilities including correctional facilities and office buildings for State departments and agencies and, in some cases, related facilities for local governments. OPFC bonds finance the cost of capital facilities for State-supported and State-assisted institutions of higher education, mental hygiene and retardation, and parks and recreation. DNR bonds finance the costs of improvements at Salt Fork State Park.

OBA bonds issued for State agencies are reflected as special obligation bonds, and OBA bonds issued for related local government facilities are shown as revenue bonds (See NOTE 12).

OBA and OPFC bonds are secured by pledges of lease rental payments from biennial General Fund appropriations, funds held by trustees pursuant to related trust agreements, and other receipts, as required by the respective bond documents.

Special obligation bonds outstanding, and bonds authorized but unissued, as of June 30, 1989, were as follows (amounts expressed in thousands):

Organization	Issued	Average Net Interest Rates	Maturing Through	Outstanding Balance	Authorized But Unissued
Ohio Building Authority	1979-89	5.0-9.8% (and variable rates)	2014	$ 1,044,869	$ ----
Ohio Public Facilities Commission	1970-88	5.0-13.1	2005	2,238,125	671,710
Department of Natural Resources	1969	7.0	1999	3,850	----
Total				$ 3,286,844	$ 671,710

NOTE 11 SPECIAL OBLIGATION BONDS (Continued)

Changes in special obligation bonds reported in the General Long-Term Obligations Account Group for the year ended June 30, 1989, are summarized in NOTE 16. Future special obligation debt service requirements, as of June 30, 1989, were as follows (amounts expressed in thousands):

Year Ending June 30,	Principal	Interest	Total
1990	$ 174,979	$ 245,154	$ 420,133
1991	184,037	231,472	415,509
1992	197,753	217,523	415,276
1993	211,715	202,383	414,098
1994	221,797	186,126	407,923
Thereafter	2,296,563	1,092,173	3,388,736
Total	$ 3,286,844	$ 2,174,831	$ 5,461,675

In prior years, OBA and OPFC defeased certain bond issues by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account's assets and the liabilities for the defeased bonds are not included in the State's financial statements. As of June 30, 1989, $337 million and $194 million of OBA and OPFC bonds outstanding, respectively, are considered defeased.

NOTE 12 REVENUE BONDS

The State Constitution permits State agencies and authorities to issue bonds that are not supported by the faith and credit of the State. These bonds pledge income derived from user fees and rentals on the acquired or constructed assets to pay the debt service. Issuers include the Ohio Turnpike Commission (OTC), Treasurer of State for the Ohio Department of Development's Economic Development Financing Division (EDFD), State Parking Commission (SPC), and Ohio Building Authority (OBA).

OTC bonds financed the construction and acquisition of roadways (the Ohio Turnpike), and equipment. OTC bonds are payable from OTC revenues, including tolls and other user charges.

Economic development bonds, issued by the Treasurer of State for the EDFD's Direct Loan Program, provide financing for loans and loan guarantees to businesses within the State, which cannot obtain conventional financing for economic development projects that create or retain jobs in the State. The bonds are secured with profits derived from the sale of spirituous liquor by the Ohio Department of Liquor Control and pledged monies and related investment earnings held in reserve under a trust agreement with a financial institution.

Additionally, taxable economic development bonds in the amount of $10 million, issued by the Treasurer of State in connection with the Ohio Enterprise Bond Program, were outstanding, as of June 30, 1989. Proceeds from this bond issuance in fiscal year 1988 were placed in a reserve with trustee and are pledged to secure, in part, the repayment of other economic development bonds issued under this program.

NOTE 12 REVENUE BONDS (Continued)

During fiscal year 1989, $10.7 million of Ohio Enterprise bonds were issued under the authority of Section 166.09, Ohio Revised Code, to provide private entities with capital financing for economic development projects. The Ohio Enterprise Bonds, which are reported as "no commitment" debt in NOTE 13, are primarily secured by the property financed, and payments by the borrowing entities are used to retire the debt and to service interest payments.

SPC bonds financed the construction of the parking facility located under the statehouse grounds in Columbus. SPC revenues, after provision for operation and maintenance of the facility, are pledged to repay the bonds.

Some OBA revenue bonds finance the costs of office buildings and related facilities for shared use by local governments. The principal and interest requirements on these bonds are paid from rentals received.

Revenue bonds outstanding, as of June 30, 1989 (December 31, 1988, for the SPC), net of unamortized discounts as applicable to the proprietary fund types only, were as follows (amounts expressed in thousands):

Organization	Issued	Interest Rates	Maturing Through	Outstanding Balance
General Long-Term Obligations:				
Ohio Turnpike Commission	1984	8.5%	1992	$ 4,810
Treasurer of State/ Economic Development	1985-88	9.7-11.4	2007	159,680
Total				$ 164,490
Enterprise:				
State Parking Commission	1963	4.0	1993	$ 687
Total				$ 687
Internal Service:				
Ohio Building Authority	1985	5.5-9.8	2007	$ 54,662
Total				$ 54,662

The balance of revenue bonds outstanding for the proprietary fund types, as reported in this note for the fiscal year ended June 30, 1989, include unamortized bond discounts of $4 million.

Changes in revenue bonds reported in the General Long-Term Obligations Account Group for the year ended June 30, 1989, are summarized in NOTE 16.

NOTE 12 REVENUE BONDS (Continued)

Future bond service requirements for all revenue bonds, as of June 30, 1989 (December 31, 1988, for the SPC and OTC) were as follows (amounts expressed in thousands):

	General Long-Term Obligations Account Group		Enterprise		Internal Service	
	Principal	Interest	Principal	Interest	Principal	Interest
Year Ending June 30,						
1990	$ 3,150	$ 16,787	$ 191	$ 23	$ 1,761	$ 4,461
1991	5,118	16,425	200	15	1,883	4,337
1992	7,142	16,021	207	7	2,022	4,200
1993	4,400	15,382	127	3	2,175	4,048
1994	4,890	14,783	----	----	2,348	3,881
Thereafter	139,790	125,052	----	----	48,372	35,632
Portion of bonds called, but not redeemed	----	----	19	----	----	----
Total	$ 164,490	$ 204,450	$ 744	$ 48	$ 58,561	$ 56,559

NOTE 13 NO COMMITMENT DEBT (not included in the financial statements)

The State of Ohio by action of the General Assembly created various financing authorities for the expressed purpose of making available to non-profit and, in some cases, for-profit private entities lower cost sources of capital financing for facilities and projects found to be for a public purpose. Fees are assessed to recover related processing and application costs incurred. The authorities' debt instruments represent limited obligations payable solely from payments made by the borrowing entities. Most of the bonds are secured by the property financed. Upon repayment of the bonds, ownership of acquired property transfers to the entity served by the bond issuance. This debt is not deemed to constitute a debt of the State or pledge of the faith and credit of the State. Accordingly, these bonds are not reflected in the accompanying financial statements.

As of June 30, 1989 (December 31, 1988, for the Ohio Air Quality Development Authority and the Ohio Water Development Authority), revenue bonds, net of advance refunded bonds of $691 million, and notes outstanding, as reported in the following organizations' financial statements that represented "no commitment" debt for the State were as follows (amounts expressed in thousands):

Organization	Outstanding Amount
Ohio Department of Development/Economic Development Financing Division	$ 10,700
Ohio Air Quality Development Authority	1,648,896
Ohio Housing Finance Agency (net of discount)	1,539,470
Ohio Water Development Authority (net of discount)	871,119
Total	$ 4,070,185

NOTE 14 CERTIFICATES OF PARTICIPATION

As of June 30, 1989, $57.4 million and $26.8 million of obligations (including accrued interest and net of discount) were payable from the Ohio Data Network and the Telecommunications internal service funds, respectively, for the purchase of data-processing equipment and software, and a telecommunications system upgrade, financed through the sale of certificates of participation.

Under the certificate of participation arrangement, the State is required to make payments that approximate the interest and principal payments made by a trustee to certificate holders.

Future certificate of participation commitments, as of June 30, 1989, were as follows (amounts expressed in thousands):

Year ending June 30,	Principal	Interest	Total
1990	$ 16,935	$ 5,859	$ 22,794
1991	19,700	4,515	24,215
1992	10,940	3,302	14,242
1993	9,705	2,539	12,244
1994	7,630	1,850	9,480
Thereafter	18,265	710	18,975
Total	$ 83,175	$ 18,775	$ 101,950

In November 1985, the State defeased outstanding Series 1983 certificates of participation related to the microwave telecommunications system, by placing the proceeds of the new Series 1985 certificates in an irrevocable trust to provide for all future service payments on the Series 1983 certificates. Accordingly, $10.7 million of the Series 1983 certificates, which are not included in the State's financial statements, were outstanding, as of June 30, 1989.

Certificates of participation obligations are reported in the internal service funds as "Refunds and Other Liabilities" in the amount of $26.8 million and as "Liabilities Payable from Restricted Assets" in the amount of $57.4 million.

NOTE 15 OTHER LONG-TERM OBLIGATIONS

As of June 30, 1989, other general long-term obligations of the State reported in the General Long-Term Obligations Account Group were as follows (amounts expressed in thousands):

Compensated absences (A)	$ 141,601
Lease agreements (B)	9,782
Judgments (C)	200,616
Litigation Liabilities and Questioned Costs (C)	25,504
Workers' Compensation Obligation (D)	293,000
Employee Severance Anticipation Compensation Plan (E)	7,874
Total Other General Long-Term Obligations	$ 678,377

NOTE 15 OTHER LONG-TERM OBLIGATIONS (Continued)

A. Compensated Absences

Generally, employees accrue vacation leave at a rate of 3.1 hours every two weeks for the first five years of employment, up to a maximum rate of 7.7 hours every two weeks after 20 years of employment. Employees may accrue a maximum of three years vacation leave credit. At termination or retirement, employees are paid at their full rate 100 percent of unused vacation leave, personal leave, and compensatory time and 50 percent of unused sick leave.

In order to lessen the impact of terminal leave pay on a given State agency's budget, an accrued leave funding program was instituted by law in 1982. State agencies must contribute a percentage of gross payroll to a common pool of resources from which terminal leave expenditures/expenses are paid. The amount of cash equity with Treasurer and related interest receivable available to satisfy terminal pay claims at June 30, 1989, was $49 million. These and related assets are reported as part of the Payroll Withholding and Fringe Benefits Agency Fund.

The compensated absence liability for proprietary funds is reported net of their portion of accrued leave funding and is reflected in accrued liabilities. The compensated absence liability for governmental funds is also reported net of their portion of the accrued leave funding and is reported as part of the General Long-Term Obligations Account Group.

The gross compensated absences liability, as of June 30, 1989, was $203 million of which $17 million is allocable to the proprietary funds and $186 million is allocable to the General Long-Term Obligations Account Group. The net (after reduction of the $49 million) compensated absence liability, as of June 30, 1989, was $154 million, of which $13 million is reported in the proprietary funds and $142 million is reported in the General Long-Term Obligations Account Group.

B. Lease Agreements

The State leases office buildings and office and computer equipment. Although the lease terms vary, most leases are renewable subject to biennial appropriations by the General Assembly. If the likelihood of the exercise of a fiscal funding clause in the lease agreement is in the judgment of management remote, then the lease is considered noncancelable for financial reporting purposes and is reported as a fund expenditure/expense for operating leases or in the General Long-Term Obligations Account Group or appropriate proprietary fund types for capital leases.

Assets acquired through capital leasing are valued at the lower of fair market value or the present value of the future minimum lease payments at the inception of the lease. Capital lease obligations for the proprietary fund types are reported in those funds as long-term obligations. The related assets and depreciation of these assets are included in the proprietary funds. Capital lease obligations for the governmental fund types are reported in the General Long-Term Obligations Account Group and the related assets are reported in the General Fixed Assets Account Group.

Operating leases (leases on assets not recorded in the combined balance sheet) contain various renewal options as well as some purchase options.

NOTE 15 OTHER LONG-TERM OBLIGATIONS (Continued)

Any escalation clauses, sublease rentals, and contingent rents are considered immaterial to the future minimum lease payments and current rental expenditures. Operating lease payments are recorded as expenditures or expenses of the related funds when paid or incurred.

The total operating lease expenditures/expenses for fiscal year 1989 were approximately $85 million. Future minimum lease commitments for operating leases and capital leases judged to be noncancelable, as of June 30, 1989, were as follows (amounts expressed in thousands):

		CAPITAL LEASES		
Fiscal year ending June 30,	Operating Leases	General Long-Term Obligations	Internal Service Funds	Total
1990	$ 11,896	$ 4,370	$ 3,598	$ 7,968
1991	10,146	3,554	2,882	6,436
1992	3,914	2,066	1,284	3,350
1993	3,003	599	111	710
1994	2,123	376	----	376
Thereafter	4,478	----	----	----
Total minimum lease payments	$ 35,560	10,965	7,875	18,840
Less: Amount representing interest		(1,183)	(741)	(1,924)
Present value of net minimum lease payments		$ 9,782	$ 7,134	$16,916

As of June 30, 1989, the State had the following fixed assets (net of accumulated depreciation for proprietary funds) under capital leases, which are reported under "Accrued Liabilities" in the proprietary funds (amounts expressed in thousands):

	General Fixed Assets	Internal Service	Total
Equipment	$ 19,459	$ 8,857	$ 28,316
Vehicles	302	68	370
Total	$ 19,761	$ 8,925	$ 28,686

Amortization expense for the proprietary funds is included with depreciation expense.

NOTE 15 OTHER LONG-TERM OBLIGATIONS (Continued)

C. Judgments, Litigation Liabilities, and Questioned Costs

The Ohio Department of Education has been involved with several school desegregation court cases filed against the State by various local boards of education. In cases where the judgment went against the State, the courts decided that the State was responsible for sharing in all past and future desegregation costs. As of June 30, 1989, the State was responsible for an estimated $201 million in past desegregation costs, which is recorded in the General Long-Term Obligations Account Group.

For information on the State's loss contingencies arising from pending litigation and questioned costs see NOTE 21.

D. Workers' Compensation Obligation

The State is permitted to pay its workers' compensation liability on a terminal funding (pay-as-you-go) basis. As a result, the Workers' Compensation Enterprise Fund recognized an unbilled premium receivable for the State's portion of its actuarially determined liability for compensation, which is recorded in the General Long-Term Obligations Account Group in the amount of $293 million.

E. Employee Severance Anticipation Compensation Plan

The Ohio Turnpike Commission has adopted by resolution an "Employee Severance Anticipation Compensation Plan" (Plan), which will provide severance pay to each eligible employee whose employment by the Commission is terminated as a direct result of the outstanding bonds being paid and the Turnpike Project No. 1 being turned over to the State of Ohio as a toll-free road pursuant to current Section 5537.21, Ohio Revised Code. The amounts paid will cover years of service, unused sick leave, and vacation leave, with such amounts being determined by the Plan's provision. The accrued liability for vacation leave and unused sick leave, as of December 31, 1988, was approximately $8 million and is reflected in the General Long-Term Obligations Account Group.

F. Deferred Prize Awards

Prize awards payable in installments over future years are recorded as "Liabilities Payable from Restricted Assets" at present value based upon interest rates the Treasurer of State provides the Ohio Lottery Commission Enterprise Fund. The interest rates are reviewed by the Ohio Office of Budget and Management and represent the expected long-term rate of return on the assets restricted for the payment of deferred prize awards. Once established for a particular deferred prize award, the interest rate does not change with changes in the expected long-term rate of return. The difference between the present value and gross amount of the obligations is amortized into income over the terms of the obligations using the interest method.

NOTE 15 OTHER LONG-TERM OBLIGATIONS (Continued)

The present value of future payments for unpaid prize awards, as of June 30, 1989, is summarized as follows (amounts expressed in thousands):

Year Ending June 30,	
1990	$ 74,614
1991	74,591
1992	74,324
1993	74,009
1994	73,994
Thereafter	882,430
Total	1,253,962
Unamortized Discount	(555,530)
Net Prize Liability	$ 698,432

Prizes can be claimed within one year of the drawing date for on-line games and within one year of the close of a game for instant games. After the expiration of the statutory one-year period, the prize liability is reduced for the unclaimed prizes.

G. Reserve for Compensation

The Ohio Bureau of Workers' Compensation Enterprise Fund provides benefits to employees for losses sustained from job-related injury, disease, or death. The Bureau has computed a reserve for compensation, as of December 31, 1988, of $9.21 billion. The reserve, which includes estimates for reported claims and claims incurred but not reported, is reported as "Workers' Compensation Benefits Payable."

NOTE 16 CHANGES IN GENERAL LONG-TERM OBLIGATIONS

Changes in general long-term obligations for the year ended June 30, 1989, are summarized as follows (amounts expressed in thousands):

	General Obligation Bonds (NOTE 10)	Special Obligation Bonds (NOTE 11)	Revenue Bonds (NOTE 12)	Other General Long-Term Obligations (NOTE 15)	Total
Balance, as of July 1, 1988	$ 757,125	$ 2,981,766	$ 166,880	$ 442,409	$4,348,180
Additions:					
Debt Issues	120,000	477,795	----	----	597,795
Compensated Absences	----	----	----	28,209	28,209
Increase in Lease Obligations	----	----	----	6,834	6,834*
Increase in Judgments	----	----	----	211,333	211,333
Increase in Workers' Compensation Obligation	----	----	----	34,110	34,110
Increase in Contingent Liabilities	----	----	----	25,504	25,504
Total Additions	120,000	477,795	----	305,990	903,785
Deductions:					
Debt Retirements, Terminations, and Defeasances	154,075	172,717	2,390	----	329,182
Decrease in Lease Obligations	----	----	----	4,279	4,279
Decrease in U.S. Treasury Deferred Interest	----	----	----	40,021	40,021
Decrease in Judgments	----	----	----	25,722	25,722
Total Deductions	154,075	172,717	2,390	70,022	399,204
Balance, as of June 30, 1989	$ 723,050	$ 3,286,844	$ 164,490	$ 678,377	$4,852,761

*This increase in lease obligations is considered to be immaterial, and therefore, is not reflected in the "Other Financing Sources (Uses)" section of the operating statement.

NOTE 17 DEFERRED COMPENSATION PLAN

The State offers its employees and elected officials a deferred compensation plan created in accordance with Internal Revenue Code Section 457 that is reported in the Deferred Compensation Agency Fund. The plan, available to any public employee, permits participants to defer a portion of their salary and the related tax liability until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State (without being restricted to the provisions of benefits under the plan), subject only to the claim of the State's general creditors. Participants'

NOTE 17 DEFERRED COMPENSATION PLAN (Continued)

rights under the plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account for each participant. The Plan Agreement states that the State and the Ohio Public Employees Deferred Compensation Board have no liability for losses under the plan with exception of fraud or wrongful taking.

The State believes that it is unlikely that the assets will be used to satisfy the claims of general creditors in the future and no assets have been used in the past to satisfy such claims.

The $216 million reported on the Combined Balance Sheet -- All Fund Types and Account Groups as "Deposit with Deferred Compensation Plan" represents State assets actually held by the plan administrator. Plan assets are carried at market value.

NOTE 18 ENTERPRISE FUNDS

A. Segment Information

The State has four enterprise funds, which provide for state parking facilities, liquor sales, lottery sales, and workers' compensation insurance services.

Segment information for the fiscal year ended June 30, 1989, unless otherwise noted, was as follows (amounts expressed in thousands):

	State Parking Commission (12/31/88)	Liquor Control	Ohio Lottery Commission	Workers' Compensation (12/31/88)	Total Enterprise Funds
Operating revenues	$ 2,136	$ 369,098	$ 1,474,453	$ 2,100,747	$ 3,946,434
Depreciation and amortization	187	986	5,796	6,798	13,767
Operating income (loss)	882	66,987	575,546	85,182	728,597
Operating transfers-out	----	70,332	555,855	----	626,187
Net income (loss)	1,228	(3,138)	19,691	85,182	102,963
Fixed asset additions	33	885	564	75,106	76,588
Fixed asset disposals	----	517	242	----	759
Net working capital	4,807	6,828	60,194	1,680,939	1,752,768
Increase (decrease) in cash and cash equivalents	4	(1,990)	(86,303)	(4,373)	(92,662)
Total assets	8,634	32,453	807,697	7,513,550	8,362,334
Bonds and other long-term liabilities payable from operating revenues	687	----	716	9,214,599	9,216,002
Total equity (deficits)	7,782	10,842	91,931	(2,193,533)	(2,082,978)

NOTE 18 ENTERPRISE FUNDS (Continued)

B. Workers' Compensation Fund

The financial statements of the Ohio Bureau of Workers' Compensation and the Industrial Commission of Ohio (Workers' Compensation Enterprise Fund), as of and for the year ended December 31, 1988, were examined by their independent auditors, who issued their report on their examination on October 6, 1989. The accounting records of the Workers' Compensation Enterprise Fund are not adequate to permit proper measurement of certain assets and liabilities, including estimates of reserves for claims. In addition, the outcome of several litigation matters is uncertain and their auditors were not able to apply sufficient auditing procedures to satisfy themselves as to the fairness of presentation of the financial statements. Accordingly, their auditors did not express an opinion on the financial statements of the Workers' Compensation Enterprise Fund. For additional information, refer to the separate audit report of the Ohio Bureau of Workers' Compensation and the Industrial Commission of Ohio.

NOTE 19 FUND EQUITY — OTHER RESERVES AND DESIGNATIONS

Details of certain fund equity reserves and designations in the accompanying financial statements, as of June 30, 1989, such as "Reserved for Pension Benefits and Other" and "Unreserved/Designated for Other" in the governmental and pension trust funds follow (amounts expressed in thousands):

Reserved for Pension Benefits and Other:

	General	Special Revenue	Capital Projects	Pension Trust	Total
Cash Equity with Treasurer	$ ----	$ 2,700	$ ----	$ ----	$ 2,700
Advance to Other Funds	36	----	----	----	36
Other Assets	186	3,892	----	----	4,078
Inventories	1,510	37,004	----	----	38,514
Advance Payments to Subrecipients	----	3,027	----	----	3,027
Capital Outlay	----	----	24,879	----	24,879
Pension Benefits	----	----	----	173,564	173,564
Total	$ 1,732	$ 46,623	$ 24,879	$ 173,564	$ 246,798

Unreserved/Designated for Other:

	General	Special Revenue	Total
Capital Outlay	$ 22,217	$ ----	$ 22,217
Local Government Distribution	----	70,059	70,059
Employee Severance Anticipation Compensation Plan	----	16,267	16,267
Total	$ 22,217	$ 86,326	$ 108,543

NOTE 20 RETAINED EARNINGS DEFICIT

A retained earnings deficit of $2.74 billion is reported for the Workers' Compensation Enterprise Fund, as of December 31, 1988. Management believes the financial condition of the Workers' Compensation Fund can be improved through the provisions of new legislation and current programs aimed at controlling medical claim costs and lost time compensation claim expenses and through increases in premiums and assessment rates.

NOTE 21 CONTINGENCIES

The State, its units and employees are parties to numerous legal proceedings, which normally occur in governmental operations. All legal proceedings are not, in the opinion of management after consultation with the Attorney General, likely to have a material adverse effect on the financial position of any of the State's fund types and account groups.

In instances when the unfavorable outcome of pending litigation has been assessed to be likely, liabilities are recorded in the financial statements. As of June 30, 1989, $2.1 million in liabilities has been recorded in the General Long-Term Obligations Account Group for this purpose.

Amounts received or receivable from federal grantor agencies are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds or the General Long-Term Obligations Account Group. The amount, except as noted below, of expenditures which may be disallowed by the grantor cannot be determined at this time although the State expects such amounts, if any, to be immaterial.

As of June 30, 1989, certain expenditures by the Department of Human Services, which had been incurred and which were reimbursed under federal awards, have been questioned in the amount of $23.4 million. A liability in the amount of $23.4 million has been recorded in the General Long-Term Obligations Account Group for the effect, if any, of such repayment.

As of June 30, 1989, rates charged other State agencies that receive federal funding for goods and services provided by the Ohio Data Network have also been questioned in the amount of $5.8 million. An accrued liability in the amount of $5.8 million has been recorded in the Ohio Data Network Internal Service Fund for the effect, if any, of such repayment.

NOTE 22 SUBSEQUENT EVENTS

Subsequent to June 30, 1989, the State issued the following major debt (amounts expressed in thousands):

Organization	Date of Issue	Net Interest Cost	Amount	Type of Debt
Ohio Housing Finance Agency	August 2, 1989	7.59%*	$426,246	No Commitment
Ohio Public Facilities Commission:				
Mental Health Facilities, Series 1989A	November 1, 1989	6.85	40,000	Special Obligation
Higher Education Facilities, Series 1989B	December 1, 1989	6.70	115,000	Special Obligation
Treasurer of State:				
Infrastructure Improvements	December 6, 1989	6.59	120,000	General Obligation
Total			$701,246	

*True interest cost.

The Treasurer of State advance refunded the State's Economic Development Bonds, Series 1983. The advance refunding was completed on July 13, 1989, when the Liquor Profits Refund Bonds, Series 1989 were issued in the amount of $147.7 million ($131.7 million in current interest bonds and $16 million in capital appreciation bonds). The Series 1989 bonds are payable primarily from and are secured by a pledge of the State's liquor profits.

In October 1989, the Ohio Building Authority converted the following bonds from variable interest rates to fixed rates in accordance with the bond trust agreements (amounts expressed in thousands):

	Amount
1985 Series A (State Correctional Facility Bonds)	$ 79,000
1986 Series A (State Correctional Facility Bonds)	180,000
1985 Series C (State Facilities Bonds, Riffe Government Center)	50,000
1986 Series A (Local Jail Grant Demand Bonds)	25,000
Total	$ 334,000

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COMBINING FINANCIAL STATEMENTS AND SCHEDULES

SPECIAL REVENUE FUNDS

The **Special Revenue Funds** account for specific revenues that are legally restricted to expenditure for designated purposes.

The **Community and Economic Development Fund** accounts for programs administered by the Department of Development, the Ohio Housing Finance Agency, the Ohio Air Quality Development Authority, the Ohio Water Development Authority, and other various State agencies, which are designed to assure the efficient use of resources for the State's economic growth and development.

The **Human Services Fund** accounts for public assistance programs primarily administered by the Department of Human Services, which provide financial assistance, services, and training to those individuals and families who do not have sufficient resources to meet their basic needs.

The **Health Fund** accounts for public health programs primarily administered by the Department of Health, which promote the prevention and treatment of diseases and illnesses through technical assistance, health education, and research.

The **Mental Health and Retardation Fund** accounts for mental health care and retardation programs administered by the Department of Mental Health and the Department of Mental Retardation and Developmental Disabilities, which provide assistance, services, and medical care to those individuals with mental health and developmental disability problems.

The **Employment Services Fund** accounts for programs administered by the Ohio Bureau of Employment Services, which provide unemployment benefits, job placement services, and training to eligible individuals.

The **Education Fund** accounts for programs administered by the Department of Education, the Ohio Board of Regents, and other various State agencies, which prescribe the State's minimum educational requirements and which provide funding and assistance to local school districts for basic instruction and vocational and technical job training and to the State's colleges and universities for post-secondary education.

The **Student Loan Commission Fund** accounts for the Federal Guaranteed Student Loan Program and other programs administered by the Ohio Student Loan Commission, which provide financial assistance to eligible individuals attending higher educational institutions.

SPECIAL REVENUE FUNDS (Continued)

The **Highway Safety Fund** accounts for public safety programs administered by the Department of Highway Safety, which are designed to enforce traffic-related laws for the purpose of reducing accidents, deaths, injuries, and property damages on Ohio highways.

The **Highway Operating Fund** accounts for programs administered by the Department of Transportation, which provide for the planning and design, construction, and maintenance of Ohio's highways and roads.

The **Ohio Turnpike Commission Fund** accounts for the general operations of the Ohio Turnpike Commission, which is authorized by the Ohio General Assembly to construct, maintain, repair, police, and operate turnpike projects at such locations approved by the State.

The **Natural Resources Fund** accounts for environmental programs administered by the Department of Natural Resources, the Environmental Protection Agency, and other various State agencies, which promote, protect, and manage the State's natural resources and environment.

The **Wildlife and Waterway Safety Fund** accounts for programs administered by the Department of Natural Resources' Divisions of Wildlife and Watercraft, which promote, protect, and manage the State's wildlife and waterways and which provide technical assistance and education to the public.

The **Revenue Distribution Fund** accounts for tax relief and aid to local government programs, which derive funding from tax and other revenues levied, collected, and designated by the State for these purposes.

The **Other Fund** accounts for administrative and regulatory activities of various departmental programs and other miscellaneous State activities.

STATE OF OHIO
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989
(amounts expressed in thousands)

	COMMUNITY AND ECONOMIC DEVELOPMENT	HUMAN SERVICES	HEALTH
ASSETS			
Cash Equity with Treasurer	$ 117,260	$ 68,184	$ 12,216
Cash with Custodian	826	44	—
Investments	26,076	—	—
Receivables:			
Taxes	—	—	—
Intergovernmental	3,084	24,491	7,762
Loans, Net	142,945	—	—
Other	2,687	78	—
Due from Other Funds	520	93	252
Inventories	—	—	—
Advance Payments to Subrecipients	—	3,027	—
Restricted Assets:			
Cash and Investments	—	—	—
Other Assets	10,730	—	—
TOTAL ASSETS	**$ 304,128**	**$ 95,917**	**$ 20,230**
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 8,041	$ 16,982	$ 8,077
Accrued Liabilities	4,576	6,755	3,301
Due to Other Funds	94	710	457
Deferred Revenues	—	12,160	2,698
Refund and Other Liabilities	10,262	1,883	—
Advance from Other Funds	36	—	14
Total Liabilities	23,009	38,490	14,547
Fund Balances:			
Reserved for:			
Encumbrances	56,661	49,380	2,047
Noncurrent Portion of Loans Receivable	135,950	—	—
Other	2,700	3,027	—
Unreserved Designated for:			
Other	—	—	—
Unreserved Undesignated (deficits)	85,808	5,020	3,636
Total Fund Balances	281,119	57,427	5,683
TOTAL LIABILITIES AND FUND BALANCES	**$ 304,128**	**$ 95,917**	**$ 20,230**

MENTAL HEALTH AND RETARDATION	EMPLOYMENT SERVICES	EDUCATION	STUDENT LOAN COMMISSION	HIGHWAY SAFETY	HIGHWAY OPERATING
$ 42,289	$ 729	$ 149,698	$ 491	$ 59,073	$ 250,314
—	4,469	13	5,552	—	—
—	15,648	2,324	34,539	—	—
—	—	—	—	—	33,570
35,883	42,588	35,096	13,054	672	22,201
—	—	40,371	11,541	—	—
10	10,377	984	810	266	1,311
1,513	—	786	—	9,835	1,469
—	978	—	—	—	32,748
—	—	—	—	—	—
—	—	—	—	—	—
—	3	—	8,087	3,879	—
$ 79,695	**$ 74,792**	**$ 229,272**	**$ 74,074**	**$ 73,725**	**$ 341,613**
$ 1,623	$ 12,668	$ 1,647	$ 308	$ 2,838	$ 49,854
17,167	38,078	34,283	9,995	5,910	15,110
7	146	9,775	106	1,398	210
—	—	737	3,254	—	12,261
—	—	6,300	8,160	—	—
—	—	—	—	—	—
18,797	50,892	52,742	21,823	10,146	77,435
5,027	2,864	122,284	534	11,783	650,884
—	—	31,980	10,397	—	—
—	978	—	13	3,879	32,748
20,000	—	—	—	—	—
35,871	20,058	22,266	41,307	47,917	(419,454)
60,898	23,900	176,530	52,251	63,579	264,178
$ 79,695	**$ 74,792**	**$ 229,272**	**$ 74,074**	**$ 73,725**	**$ 341,613**

(continued)

STATE OF OHIO
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989
(amounts expressed in thousands)
(continued)

	OHIO TURNPIKE COMMISSION	NATURAL RESOURCES	WILDLIFE AND WATERWAY SAFETY
ASSETS			
Cash Equity with Treasurer	$ —	$ 152,730	$ 18,501
Cash with Custodian	—	642	27
Investments	2,777	—	—
Receivables:			
Taxes	—	—	482
Intergovernmental	—	821	2,387
Loans, Net	—	169	—
Other	1,475	553	89
Due from Other Funds	—	497	91
Inventories	3,278	—	—
Advance Payments to Subrecipients	—	—	—
Restricted Assets:			
Cash and Investments	16,268	—	—
Other Assets	2,266	—	—
TOTAL ASSETS	**$ 26,064**	**$ 155,412**	**$ 21,577**
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 782	$ 2,976	$ 710
Accrued Liabilities	1,418	2,258	1,135
Due to Other Funds	452	1,213	43
Deferred Revenues	—	478	—
Refund and Other Liabilities	307	156	—
Advance from Other Funds	—	—	—
Total Liabilities	2,959	7,081	1,888
Fund Balances:			
Reserved for:			
Encumbrances	—	47,072	4,504
Noncurrent Portion of Loans Receivable	—	165	—
Other	3,278	—	—
Unreserved Designated for:			
Other	16,267	—	—
Unreserved Undesignated (deficits)	3,560	101,094	15,185
Total Fund Balances	23,105	148,331	19,689
TOTAL LIABILITIES AND FUND BALANCES	**$ 26,064**	**$ 155,412**	**$ 21,577**

REVENUE DISTRIBUTION	OTHER	TOTAL
$ 121,365	$ 62,569	$ 1,055,419
—	379	11,952
—	—	81,364
119,588	502	154,142
—	3,171	191,210
—	52	195,078
93	174	18,907
7,951	810	23,817
—	—	37,004
—	—	3,027
—	—	16,268
—	—	24,965
$ 248,997	**$ 67,657**	**$ 1,813,153**
$ —	$ 5,266	$ 111,772
158,322	2,978	301,286
137	819	15,367
1,629	2,213	35,430
38,850	—	65,918
—	196	246
198,938	11,472	530,219
—	11,039	964,079
—	50	178,542
—	—	46,623
50,059	—	86,326
—	45,096	7,364
50,059	56,185	1,282,934
$ 248,997	**$ 67,657**	**$ 1,813,153**

STATE OF OHIO

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)

	COMMUNITY AND ECONOMIC DEVELOPMENT	HUMAN SERVICES	HEALTH
REVENUES:			
Income Taxes	$ —	$ —	$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	—	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	—	—	—
Licenses, Permits and Fees	1	4,736	6,889
Sales, Services and Charges	5,071	—	42
Federal Government	148,725	404,629	123,949
Other	24,913	32,756	12,775
TOTAL REVENUES	**178,710**	**442,121**	**143,655**
EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education	—	—	—
Public Assistance and Medicaid	—	277,373	—
Health and Human Services	—	146,195	154,779
Justice and Public Protection	195	5,122	—
Environmental Protection and Natural Resources	—	—	—
Transportation	—	—	—
General Government	26	—	13
Community and Economic Development	176,612	—	—
Local Government Support, Tax Relief and Other	—	—	—
CAPITAL OUTLAY	—	1,522	—
TOTAL EXPENDITURES	**176,833**	**430,212**	**154,792**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**1,877**	**11,909**	**(11,137)**
OTHER FINANCING SOURCES (USES):			
Operating Transfers-in	1,628	—	5,336
Operating Transfers-out	(41,711)	—	(520)
TOTAL OTHER FINANCING SOURCES (USES)	**(40,083)**	—	**4,816**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	**(38,206)**	**11,909**	**(6,321)**
FUND BALANCES, JULY 1	319,325	45,518	12,004
INCREASE FOR CHANGES IN INVENTORIES	—	—	—
FUND BALANCES, JUNE 30	**$ 281,119**	**$ 57,427**	**$ 5,683**

MENTAL HEALTH AND RETARDATION	EMPLOYMENT SERVICES	EDUCATION	STUDENT LOAN COMMISSION	HIGHWAY SAFETY	HIGHWAY OPERATING
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	251,339
—	—	—	—	—	23,438
1	—	201	—	61,209	4,779
—	—	457	3,481	310	2,023
218,151	269,069	436,569	24,285	5,265	453,256
33,772	63,776	14,554	4,364	11,917	48,446
251,924	**332,845**	**451,781**	**32,130**	**78,701**	**783,281**
—	—	986,058	—	—	—
—	—	4,715	36,947	—	—
—	—	—	—	—	—
217,628	326,472	131	—	4,153	—
—	—	516	—	161,681	—
—	—	—	—	—	—
—	—	—	—	—	962,072
—	—	3	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	2,235	2,096	714	1,065	—
217,628	**328,707**	**993,519**	**37,661**	**166,899**	**962,072**
34,296	**4,138**	**(541,738)**	**(5,531)**	**(88,198)**	**(178,791)**
2,000	3,085	556,855	—	86,933	313,134
(409)	(11,811)	—	—	—	(90,511)
1,591	**(8,726)**	**556,855**	—	**86,933**	**222,623**
35,887	**(4,588)**	**15,117**	**(5,531)**	**(1,265)**	**43,832**
25,011	28,488	161,413	57,782	64,844	216,383
—	—	—	—	—	3,963
$ 60,898	**$ 23,900**	**$ 176,530**	**$ 52,251**	**$ 63,579**	**$ 264,178**

(continued)

STATE OF OHIO

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)
(continued)

	OHIO TURNPIKE COMMISSION	NATURAL RESOURCES	WILDLIFE AND WATERWAY SAFETY
REVENUES:			
Income Taxes	$ —	$ —	$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	11,016	—
Motor Vehicle Fuel Taxes	—	—	3,993
Other Taxes	—	8,799	—
Licenses, Permits and Fees	87,843	22,816	18,418
Sales, Services and Charges	—	2,856	78
Federal Government	—	39,856	3,474
Other	2,088	19,699	3,114
TOTAL REVENUES	**89,931**	**105,042**	**29,077**
EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	—	78,000	32,817
Transportation	43,356	—	—
General Government	—	2,075	—
Community and Economic Development	—	37,674	—
Local Government Support, Tax Relief and Other	—	—	—
CAPITAL OUTLAY	—	—	3,474
TOTAL EXPENDITURES	**43,356**	**117,749**	**36,291**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**46,575**	**(12,707)**	**(7,214)**
OTHER FINANCING SOURCES (USES):			
Operating Transfers-in	—	—	501
Operating Transfers-out	(45,776)	(3,453)	—
TOTAL OTHER FINANCING SOURCES (USES)	**(45,776)**	**(3,453)**	**501**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	**799**	**(16,160)**	**(6,713)**
FUND BALANCES, JULY 1	22,306	164,491	26,402
INCREASE FOR CHANGES IN INVENTORIES	—	—	—
FUND BALANCES, JUNE 30	**$ 23,105**	**$ 148,331**	**$ 19,689**

REVENUE DISTRIBUTION	OTHER	TOTAL
$ 421,673	$ 2,866	$ 424,539
156,051	10,020	166,071
67,738	367	79,121
518,589	—	773,921
11,695	13,617	57,549
263,471	45,069	515,433
—	5,813	20,131
—	23,130	2,150,358
1,691	30,094	303,959
1,440,908	**130,976**	**4,491,082**
—	—	986,058
—	177	41,839
—	—	277,373
—	59	849,417
—	29,395	196,909
—	68	110,885
—	3,596	1,009,024
—	72,344	74,461
12,028	18,361	244,675
1,108,095	—	1,108,095
—	—	11,106
1,120,123	**124,000**	**4,909,842**
320,785	**6,976**	**(418,760)**
25	872	970,369
(316,150)	(6,407)	(516,748)
(316,125)	**(5,535)**	**453,621**
4,660	**1,441**	**34,861**
45,399	54,744	1,244,110
—	—	3,963
$ 50,059	**$ 56,185**	**$ 1,282,934**

STATE OF OHIO

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)

	COMMUNITY AND ECONOMIC DEVELOPMENT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	$ —	$ —	$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	—	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	—	—	—
Licenses, Permits and Fees	8,393	8,393	—
Sales, Services and Charges	—	—	—
Federal Government	145,444	145,444	—
Other	32,142	32,142	—
TOTAL REVENUES	185,979	185,979	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	354	128	226
Environmental Protection and Natural Resources	126	126	—
Transportation	—	—	—
General Government	323	215	108
Community and Economic Development	278,719	220,227	58,492
Local Government Support, Tax Relief and Other	—	—	—
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	279,522	220,696	58,826
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(93,543)	(34,717)	58,826
OTHER FINANCING SOURCES (USES):			
Operating Transfers-in	422	422	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	6,913	6,913	—
TOTAL OTHER FINANCING SOURCES (USES)	7,335	7,335	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	$ (86,208)	(27,382)	$ 58,826
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		27,915	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		$ 533	

HUMAN SERVICES			HEALTH		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
4,950	4,950	—	10,049	10,049	—
—	—	—	2,012	2,012	—
385,312	385,312	—	126,286	126,286	—
35,509	35,509	—	15,386	15,386	—
425,771	**425,771**	—	**153,733**	**153,733**	—
—	—	—	—	—	—
—	—	—	—	—	—
305,691	299,660	6,031	—	—	—
155,921	150,862	5,059	165,951	154,876	11,075
5,227	5,021	206	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	1,106	475	631
—	—	—	75	38	37
—	—	—	—	—	—
11,422	5,828	5,594	—	—	—
—	—	—	—	—	—
478,261	**461,371**	**16,890**	**167,132**	**155,389**	**11,743**
(52,490)	**(35,600)**	**16,890**	**(13,399)**	**(1,656)**	**11,743**
4,220	4,220	—	—	—	—
(4,220)	(4,220)	—	(520)	(520)	—
29,906	29,906	—	1,800	1,800	—
29,906	**29,906**	—	**1,280**	**1,280**	—
$ (22,584)	**(5,694)**	**$ 16,890**	**$ (12,119)**	**(376)**	**$ 11,743**
	17,476			8,625	
	$ 11,782			**$ 8,249**	

(continued)

STATE OF OHIO

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)

(continued)

	MENTAL HEALTH AND RETARDATION		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	$ —	$ —	$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	—	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	—	—	—
Licenses, Permits and Fees	1	1	—
Sales, Services and Charges	—	—	—
Federal Government	200,883	200,883	—
Other	37,621	37,621	—
TOTAL REVENUES	**238,505**	**238,505**	**—**
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	244,346	217,368	26,978
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	—	—	—
Transportation	—	—	—
General Government	—	—	—
Community and Economic Development	—	—	—
Local Government Support, Tax Relief and Other	—	—	—
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	**244,346**	**217,368**	**26,978**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	**(5,841)**	**21,137**	**26,978**
OTHER FINANCING SOURCES (USES):			
Operating Transfers-in	—	—	—
Operating Transfers-out	(1,909)	(1,909)	—
Encumbrance Reversions	6,109	6,109	—
TOTAL OTHER FINANCING SOURCES (USES)	**4,200**	**4,200**	**—**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	**$ (1,641)**	**25,337**	**$ 26,978**
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		1,407	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		**$ 26,744**	

EMPLOYMENT SERVICES			EDUCATION		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
6	6	—	201	201	—
11	11	—	468	468	—
231,171	231,171	—	449,030	449,030	—
9,657	9,657	—	28,705	28,705	—
240,845	**240,845**	—	**478,404**	**478,404**	—
—	—	—	1,043,549	1,040,332	3,217
—	—	—	5,070	4,910	160
—	—	—	—	—	—
247,703	241,931	5,772	1,160	892	268
—	—	—	10,837	7,702	3,135
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	10	2	8
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	4,313	2,096	2,217
—	—	—	—	—	—
247,703	**241,931**	**5,772**	**1,064,939**	**1,055,934**	**9,005**
(6,858)	**(1,086)**	**5,772**	**(586,535)**	**(577,530)**	**9,005**
—	—	—	572,085	572,085	—
—	—	—	—	—	—
881	881	—	4,419	4,419	—
881	**881**	—	**576,504**	**576,504**	—
$ (5,977)	**(205)**	**$ 5,772**	**$ (10,031)**	**(1,026)**	**$ 9,005**
	(1,889)			9,654	
	$ (2,094)			**$ 8,628**	

(continued)

STATE OF OHIO

SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)
(continued)

	STUDENT LOAN COMMISSION		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	$ —	$ —	$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	—	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	—	—	—
Licenses, Permits and Fees	9,950	9,950	—
Sales, Services and Charges	—	—	—
Federal Government	—	—	—
Other	33	33	—
TOTAL REVENUES	9,983	9,983	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education	10,011	9,037	974
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	—	—	—
Transportation	—	—	—
General Government	—	—	—
Community and Economic Development	—	—	—
Local Government Support, Tax Relief and Other	—	—	—
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	10,011	9,037	974
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(28)	946	974
OTHER FINANCING SOURCES (USES):			
Operating Transfers-in	—	—	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	81	81	—
TOTAL OTHER FINANCING SOURCES (USES)	81	81	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	$ 53	1,027	$ 974
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		(1,327)	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		$ (300)	

HIGHWAY SAFETY			HIGHWAY OPERATING		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	247,495	247,495	—
—	—	—	17,569	17,569	—
64,809	64,809	—	4,746	4,746	—
310	310	—	2,023	2,023	—
5,147	5,147	—	465,117	465,117	—
15,926	15,926	—	54,107	54,107	—
86,192	**86,192**	—	**791,057**	**791,057**	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
4,565	4,531	34	—	—	—
180,019	158,128	21,891	—	—	—
—	—	—	—	—	—
—	—	—	1,221,324	1,017,834	203,490
—	—	—	—	—	—
—	—	—	—	—	—
252	1	251	—	—	—
3,730	1,253	2,477	—	—	—
—	—	—	5,000	5,000	—
188,566	**163,913**	**24,653**	**1,226,324**	**1,022,834**	**203,490**
(102,374)	**(77,721)**	**24,653**	**(435,267)**	**(231,777)**	**203,490**
87,816	87,816	—	311,204	311,204	—
(883)	(883)	—	(86,271)	(86,271)	—
1,483	1,483	—	83,539	83,539	—
88,416	**88,416**	—	**308,472**	**308,472**	—
$ (13,958)	**10,695**	**$ 24,653**	**$ (126,795)**	**76,695**	**$ 203,490**
	32,849			(525,163)	
	$ 43,544			**$ (448,468)**	

(continued)

STATE OF OHIO

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)

(continued)

	NATURAL RESOURCES		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	$ —	$ —	$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	11,016	11,016	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	8,799	8,799	—
Licenses, Permits and Fees	22,722	22,722	—
Sales, Services and Charges	2,820	2,820	—
Federal Government	41,804	41,804	—
Other	19,901	19,901	—
TOTAL REVENUES	107,062	107,062	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	125	70	55
Environmental Protection and Natural Resources	98,839	79,997	18,842
Transportation	—	—	—
General Government	2,853	2,046	807
Community and Economic Development	41,026	40,099	927
Local Government Support, Tax Relief and Other	—	—	—
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	142,843	122,212	20,631
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(35,781)	(15,150)	20,631
OTHER FINANCING SOURCES (USES):			
Operating Transfers-in	1,000	1,000	—
Operating Transfers-out	(3,349)	(3,349)	—
Encumbrance Reversions	2,175	2,175	—
TOTAL OTHER FINANCING SOURCES (USES)	(174)	(174)	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	$ (35,955)	(15,324)	$ 20,631
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		118,286	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		$ 102,962	

WILDLIFE AND WATERWAY SAFETY			REVENUE DISTRIBUTION		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ —	$ —	$ —	$ 411,194	$ 411,194	$ —
—	—	—	153,830	153,830	—
—	—	—	68,523	68,523	—
3,990	3,990	—	511,011	511,011	—
—	—	—	11,505	11,505	—
18,434	18,434	—	342,081	342,081	—
78	78	—	—	—	—
5,316	5,316	—	—	—	—
3,825	3,825	—	1,867	1,867	—
31,643	**31,643**	—	**1,500,011**	**1,500,011**	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
35,103	32,479	2,624	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	1,208,326	1,173,931	34,395
9,822	4,202	5,620	—	—	—
—	—	—	—	—	—
44,925	**36,681**	**8,244**	**1,208,326**	**1,173,931**	**34,395**
(13,282)	**(5,038)**	**8,244**	**291,685**	**326,080**	**34,395**
1	1	—	58,051	58,051	—
—	—	—	(311,204)	(311,204)	—
293	293	—	—	—	—
294	**294**	—	**(253,153)**	**(253,153)**	—
$ (12,988)	**(4,744)**	**$ 8,244**	**$ 38,532**	**72,927**	**$ 34,395**
	18,220			48,438	
	$ 13,476			**$ 121,365**	

(continued)

STATE OF OHIO

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)

(continued)

	OTHER		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	$ 2,808	$ 2,808	$ —
Sales Taxes	9,978	9,978	—
Corporate and Public Utility Taxes	366	366	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	13,796	13,796	—
Licenses, Permits and Fees	45,653	45,653	—
Sales, Services and Charges	6,763	6,763	—
Federal Government	25,619	25,619	—
Other	32,466	32,466	—
TOTAL REVENUES	137,449	137,449	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education	2	1	1
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	38,622	33,820	4,802
Environmental Protection and Natural Resources	—	—	—
Transportation	5,385	1,465	3,920
General Government	79,147	71,762	7,385
Community and Economic Development	20,890	19,003	1,887
Local Government Support, Tax Relief and Other	—	—	—
CAPITAL OUTLAY	1,091	96	995
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	145,137	126,147	18,990
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(7,688)	11,302	18,990
OTHER FINANCING SOURCES (USES):			
Operating Transfers-in	1,677	1,677	—
Operating Transfers-out	(7,757)	(7,757)	—
Encumbrance Reversions	1,128	1,128	—
TOTAL OTHER FINANCING SOURCES (USES)	(4,952)	(4,952)	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	$ (12,640)	6,350	$ 18,990
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		42,984	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		$ 49,334	

TOTAL SPECIAL REVENUE

BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ 414,002	$ 414,002	$ —
163,808	163,808	—
79,905	79,905	—
762,496	762,496	—
51,669	51,669	—
531,995	531,995	—
14,485	14,485	—
2,081,129	2,081,129	—
287,145	287,145	—
4,386,634	**4,386,634**	**—**
1,043,549	1,040,332	3,217
15,083	13,948	1,135
305,691	299,660	6,031
819,646	770,460	49,186
235,184	204,869	30,315
134,068	112,602	21,466
1,226,709	1,019,299	207,410
83,439	74,500	8,939
340,710	279,367	61,343
1,208,578	1,173,932	34,646
30,378	13,475	16,903
5,000	5,000	—
5,448,035	**5,007,444**	**440,591**
(1,061,401)	**(620,810)**	**440,591**
1,036,476	1,036,476	—
(416,113)	(416,113)	—
138,727	138,727	—
759,090	**759,090**	**—**
$ (302,311)	**138,280**	**$ 440,591**
	(202,525)	
	$ (64,245)	

DEBT SERVICE FUNDS

The **Debt Service Funds** account for the accumulation of resources for the payment of general long-term debt principal and interest.

The **Economic Development Bond Service Fund** accounts for the payment of principal and interest on revenue bonds issued to finance loans to individuals, corporations, and agencies within the State, which cannot obtain conventional financing for economic development projects that create or retain jobs in the State.

The **Ohio Turnpike Commission Bond Service Fund** accounts for the payment of principal and interest on refunding revenue bonds issued in 1984 by the Ohio Turnpike Commission to refund the remaining portion of the original 1952 bonds issued to finance the construction of the Ohio Turnpike.

The **Coal Research/Development Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds authorized by Section 15, Article VIII of the Ohio Constitution to provide financing for coal research and development projects.

The **Improvements Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds authorized by Section 2f, Article VIII of the Ohio Constitution to provide financing for the improvement of higher education facilities, public schools, and natural resources and for other purposes.

The **Highway Improvements Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds authorized by Section 2g, Article VIII of the Ohio Constitution to provide financing for the acquisition of rights-of-way and for the construction and reconstruction of the State's highways and urban extensions.

The **Development Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds authorized by Section 2h, Article VIII of the Ohio Constitution to provide financing for the construction, improvement, and development of higher education facilities, public schools, and natural resources and for other purposes.

The **Highway Obligations Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds authorized by Section 2i, Article VIII of the Ohio Constitution to provide financing for construction of the State's highways.

The **Public Improvements Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds authorized by Section 2i, Article VIII of the Ohio Constitution to provide financing for the improvement of higher education facilities, water pollution controls, parks and natural resources, and other projects.

DEBT SERVICE FUNDS (Continued)

The **Special Distribution Bond Retirement Fund** accounts for the payment of principal and interest on bonds issued to provide financing to the Depositor Assistance Corporation for acquiring financial institutions, which were in financial difficulties as a result of the Home State Savings and Loan bankruptcy in 1985, as a means to provide remuneration to depositors with assets placed in such institutions.

The **Vietnam Conflict Compensation Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds authorized by Section 2j, Article VIII of the Ohio Constitution to provide compensation to Ohioans that served in the military during the Vietnam Conflict.

The **Local Infrastructure Improvements Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds authorized by Section 2k, Article VIII of the Ohio Constitution to provide financing for the cost of local government's public infrastructure improvement projects.

The **Ohio Public Facilities Commission Fund** accounts for the payment of principal and interest on special obligation bonds issued to finance the construction of mental health, higher education, parks and recreation, and State park facilities.

The **Ohio Building Authority Fund** accounts for the payment of principal and interest on special obligation bonds issued to finance the construction of State office buildings and rehabilitation and correctional facilities.

The **Bureau of Employment Services Fund** accounts for the payment of interest on advances from the U.S. Treasury.

The **Salt Fork Bond Retirement Fund** accounts for the payment of principal and interest on special obligation bonds issued to finance the cost of improvements at Salt Fork State Park.

The **Enterprise Bond Retirement Fund** accounts for the payment of principal and interest on revenue bonds issued to finance "eligible projects," as defined by Chapter 166.01, Ohio Revised Code, that will create or retain jobs and employment opportunities in the State.

STATE OF OHIO
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989
(amounts expressed in thousands)

	ECONOMIC DEVELOPMENT BOND SERVICE	OHIO TURNPIKE COMMISSION BOND SERVICE	COAL RESEARCH/ DEVELOPMENT BOND RETIREMENT
ASSETS			
Cash Equity with Treasurer	$ —	$ —	$ 11
Cash with Custodian	—	206	—
Investments	25,779	—	—
Receivables:			
Taxes	—	—	—
Other	—	—	—
Due from Other Funds	—	—	—
TOTAL ASSETS	$ 25,779	$ 206	$ 11
LIABILITIES AND FUND BALANCES			
Liabilities:			
Refund and Other Liabilities	$ —	$ 34	$ —
Total Liabilities	—	34	—
Fund Balances:			
Reserved for:			
Debt Service	25,779	172	11
Total Fund Balances	25,779	172	11
TOTAL LIABILITIES AND FUND BALANCES	$ 25,779	$ 206	$ 11

IMPROVEMENTS BOND RETIREMENT	HIGHWAY IMPROVEMENTS BOND RETIREMENT	DEVELOPMENT BOND RETIREMENT	HIGHWAY OBLIGATIONS BOND RETIREMENT	PUBLIC IMPROVEMENTS BOND RETIREMENT	VIETNAM CONFLICT COMPENSATION BOND RETIREMENT
$ 4,390	$ 4,087	$ 94	$ 101,433	$ 86	$ 228
505	811	500	1,471	1,518	585
—	—	—	—	—	—
1,094	—	—	20,146	—	—
21	20	1	496	—	1
21	21	1	510	—	1
$ 6,031	$ 4,939	$ 596	$ 124,056	$ 1,604	$ 815
$ 305	$ 561	$ 275	$ 1,221	$ 1,318	$ 335
305	561	275	1,221	1,318	335
5,726	4,378	321	122,835	286	480
5,726	4,378	321	122,835	286	480
$ 6,031	$ 4,939	$ 596	$ 124,056	$ 1,604	$ 815

(continued)

STATE OF OHIO
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989
(amounts expressed in thousands)
(continued)

	LOCAL INFRASTRUCTURE IMPROVEMENTS BOND RETIREMENT	OHIO PUBLIC FACILITIES COMMISSION	OHIO BUILDING AUTHORITY
ASSETS			
Cash Equity with Treasurer	$ 8	$ —	$ —
Cash with Custodian	—	1,757	—
Investments	—	298,553	—
Receivables:			
Taxes	—	—	—
Other	—	19,790	—
Due from Other Funds	—	—	171,367
TOTAL ASSETS	**$ 8**	**$ 320,100**	**$ 171,367**
LIABILITIES AND FUND BALANCES			
Liabilities:			
Refund and Other Liabilities	$ —	$ 5,203	$ —
Total Liabilities	—	5,203	—
Fund Balances:			
Reserved for:			
Debt Service	8	314,897	171,367
Total Fund Balances	8	314,897	171,367
TOTAL LIABILITIES AND FUND BALANCES	**$ 8**	**$ 320,100**	**$ 171,367**

SALT FORK BOND RETIREMENT	ENTERPRISE BOND RETIREMENT	TOTAL
$ —	$ —	$ 110,337
5,217	329	12,899
—	18,475	342,807
—	—	21,240
—	59	20,387
—	—	171,921
$ 5,217	**$ 18,862**	**$ 679,591**
$ —	$ —	$ 9,252
—	—	9,252
5,217	18,862	670,339
5,217	18,862	670,339
$ 5,217	**$ 18,862**	**$ 679,591**

STATE OF OHIO

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)

	ECONOMIC DEVELOPMENT BOND SERVICE	OHIO TURNPIKE COMMISSION BOND SERVICE	COAL RESEARCH DEVELOPMENT BOND RETIREMENT
REVENUES:			
Motor Vehicle Fuel Taxes	$ —	$ —	$ —
Other Taxes	—	—	—
Licenses, Permits and Fees	—	—	—
Federal Government	—	—	—
Other	2,838	16	6
TOTAL REVENUES	**2,838**	**16**	**6**
EXPENDITURES:			
DEBT SERVICE	18,102	409	6,716
TOTAL EXPENDITURES	**18,102**	**409**	**6,716**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(15,264)**	**(393)**	**(6,710)**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	40,841	394	6,716
Operating Transfers-out	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	**40,841**	**394**	**6,716**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	**25,577**	**1**	**6**
FUND BALANCES, JULY 1	202	171	5
FUND BALANCES, JUNE 30	**$ 25,779**	**$ 172**	**$ 11**

IMPROVEMENTS BOND RETIREMENT	HIGHWAY IMPROVEMENTS BOND RETIREMENT	DEVELOPMENT BOND RETIREMENT	HIGHWAY OBLIGATIONS BOND RETIREMENT	PUBLIC IMPROVEMENTS BOND RETIREMENT	SPECIAL DISTRIBUTION BOND RETIREMENT
$ —	$ —	$ —	$ 50,352	$ —	$ —
12,975	—	—	48,370	—	—
—	—	—	354	—	—
—	—	—	—	—	—
309	666	45	9,289	83	—
13,284	**666**	**45**	**108,365**	**83**	—
17,516	8,069	18,985	105,654	18,238	—
17,516	**8,069**	**18,985**	**105,654**	**18,238**	—
(4,232)	**(7,403)**	**(18,940)**	**2,711**	**(18,155)**	—
—	—	—	—	—	—
4,360	—	19,016	—	18,172	—
—	—	—	—	—	(7,000)
4,360	—	**19,016**	—	**18,172**	**(7,000)**
128	**(7,403)**	**76**	**2,711**	**17**	**(7,000)**
5,598	11,781	245	120,124	269	7,000
$ 5,726	**$ 4,378**	**$ 321**	**$ 122,835**	**$ 286**	$ —

(continued)

STATE OF OHIO

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)
(continued)

	VIETNAM CONFLICT COMPENSATION BOND RETIREMENT	LOCAL INFRASTRUCTURE IMPROVEMENTS BOND RETIREMENT	OHIO PUBLIC FACILITIES COMMISSION
REVENUES:			
Motor Vehicle Fuel Taxes	$ —	$ —	$ —
Other Taxes	—	—	—
Licenses, Permits and Fees	—	—	—
Federal Government	—	—	448
Other	77	9	25,485
TOTAL REVENUES	**77**	**9**	**25,933**
EXPENDITURES:			
DEBT SERVICE	21,246	2,053	303,247
TOTAL EXPENDITURES	**21,246**	**2,053**	**303,247**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(21,169)**	**(2,044)**	**(277,314)**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	433	19,500
Operating Transfers-in	21,250	1,619	296,374
Operating Transfers-out	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	**21,250**	**2,052**	**315,874**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	**81**	**8**	**38,560**
FUND BALANCES, JULY 1	399	—	276,337
FUND BALANCES, JUNE 30	**$ 480**	**$ 8**	**$ 314,897**

OHIO BUILDING AUTHORITY	BUREAU OF EMPLOYMENT SERVICES	SALT FORK BOND RETIREMENT	ENTERPRISE BOND RETIREMENT	TOTAL
$ —	$ —	$ —	$ —	$ 50,352
—	—	—	—	61,345
—	—	—	—	354
—	—	—	—	448
—	—	5,831	1,568	46,222
—	—	**5,831**	**1,568**	158,721
59,367	40,021	1,104	1,102	621,829
59,367	**40,021**	**1,104**	**1,102**	**621,829**
(59,367)	**(40,021)**	**4,727**	**466**	**(463,108)**
—	—	—	—	19,933
97,116	40,021	490	18,396	564,765
—	—	—	—	(7,000)
97,116	**40,021**	**490**	**18,396**	**577,698**
37,749	—	**5,217**	**18,862**	**114,590**
133,618	—	—	—	555,749
$ 171,367	$ —	**$ 5,217**	**$ 18,862**	**$ 670,339**

STATE OF OHIO

DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)

	COAL RESEARCH / DEVELOPMENT BOND RETIREMENT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Motor Vehicle Fuel Taxes	$ —	$ —	$ —
Other Taxes	—	—	—
Licenses, Permits and Fees	—	—	—
Other	6,722	6,722	—
TOTAL REVENUES	6,722	6,722	—
BUDGETARY EXPENDITURES:			
DEBT SERVICE	10,266	6,716	3,550
TOTAL BUDGETARY EXPENDITURES	10,266	6,716	3,550
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(3,544)	6	3,550
OTHER FINANCING SOURCES:			
Bond Proceeds	—	—	—
TOTAL OTHER FINANCING SOURCES	—	—	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES	$ (3,544)	6	$ 3,550
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JULY 1		5	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JUNE 30		$ 11	

IMPROVEMENTS BOND RETIREMENT			HIGHWAY IMPROVEMENTS BOND RETIREMENT		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ —	$ —	$ —	$ —	$ —	$ —
12,985	12,985	—	—	—	—
—	—	—	—	—	—
4,668	4,668	—	744	744	—
17,653	**17,653**	—	**744**	**744**	—
17,516	17,516	—	8,069	8,068	1
17,516	**17,516**	—	**8,069**	**8,068**	**1**
137	**137**	—	**(7,325)**	**(7,324)**	**1**
—	—	—	—	—	—
—	—	—	—	—	—
$ 137	**137**	**$ —**	**$ (7,325)**	**(7,324)**	**$ 1**
	4,253			11,411	
	$ 4,390			**$ 4,087**	

(continued)

STATE OF OHIO

DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)
(continued)

	DEVELOPMENT BOND RETIREMENT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Motor Vehicle Fuel Taxes	$ —	$ —	$ —
Other Taxes	—	—	—
Licenses, Permits and Fees	—	—	—
Other	19,059	19,059	—
TOTAL REVENUES	**19,059**	**19,059**	**—**
BUDGETARY EXPENDITURES:			
DEBT SERVICE	19,012	18,984	28
TOTAL BUDGETARY EXPENDITURES	**19,012**	**18,984**	**28**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	47	75	28
OTHER FINANCING SOURCES:			
Bond Proceeds	—	—	—
TOTAL OTHER FINANCING SOURCES	—	—	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES	$ 47	75	$ 28
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JULY 1		19	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JUNE 30		$ 94	

HIGHWAY OBLIGATIONS BOND RETIREMENT			PUBLIC IMPROVEMENTS BOND RETIREMENT		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ 50,187	$ 50,187	$ —	$ —	$ —	$ —
53,329	53,329	—	—	—	—
354	354	—	—	—	—
9,231	9,231	—	18,254	18,254	—
113,101	**113,101**	—	**18,254**	**18,254**	—
106,516	105,655	861	18,238	18,238	—
106,516	**105,655**	**861**	**18,238**	**18,238**	—
6,585	**7,446**	**861**	**16**	**16**	—
—	—	—	—	—	—
—	—	—	—	—	—
$ 6,585	**7,446**	**$ 861**	**$ 16**	**16**	**$ —**
	93,987			70	
	$ 101,433			**$ 86**	

(continued)

STATE OF OHIO

DEBT SERVICE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)
(continued)

	VIETNAM CONFLICT COMPENSATION BOND RETIREMENT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Motor Vehicle Fuel Taxes	$ —	$ —	$ —
Other Taxes	—	—	—
Licenses, Permits and Fees	—	—	—
Other	21,327	21,327	—
TOTAL REVENUES	21,327	21,327	—
BUDGETARY EXPENDITURES:			
DEBT SERVICE	21,246	21,245	1
TOTAL BUDGETARY EXPENDITURES	21,246	21,245	1
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	81	82	1
OTHER FINANCING SOURCES:			
Bond Proceeds	—	—	—
TOTAL OTHER FINANCING SOURCES	—	—	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES	$ 81	82	$ 1
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JULY 1		146	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JUNE 30		$ 228	

LOCAL INFRASTRUCTURE IMPROVEMENTS BOND RETIREMENT			TOTAL DEBT SERVICE		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ —	$ —	$ —	$ 50,187	$ 50,187	$ —
—	—	—	66,314	66,314	—
—	—	—	354	354	—
1,627	1,627	—	81,632	81,632	—
1,627	**1,627**	**—**	**198,487**	**198,487**	**—**
2,400	2,053	347	203,263	198,475	4,788
2,400	**2,053**	**347**	**203,263**	**198,475**	**4,788**
(773)	**(426)**	**347**	**(4,776)**	**12**	**4,788**
433	433	—	433	433	—
433	**433**	**—**	**433**	**433**	**—**
$ (340)	**7**	**$ 347**	**$ (4,343)**	**445**	**$ 4,788**
	—			109,891	
	$ 7			**$ 110,336**	

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CAPITAL PROJECTS FUNDS

The **Capital Projects Funds** account for the acquisition and construction of major capital facilities and for major repairs and replacements other than those financed by proprietary funds and trust funds.

The **Ohio Turnpike Commission Fund** accounts for bond proceeds that finance capital outlay and major repairs and replacements for the Ohio Turnpike.

The **Higher Education Improvements Fund** accounts for bond proceeds that finance the construction of facilities for State-assisted higher education institutions.

The **Highway Obligations Construction Fund** accounts for bond proceeds that finance capital outlay and major repairs and replacements for the State's highways.

The **Mental Health/Mental Retardation Facilities Improvements Fund** accounts for bond proceeds that finance the construction of mental health/mental retardation facilities.

The **Public Improvements Fund** accounts for bond proceeds that finance the capital improvement of higher education facilities, water pollution controls, parks and natural resources, and other projects.

The **Parks and Recreation Improvements Fund** accounts for bond proceeds that finance the capital improvement of park and recreation facilities.

The **Local Infrastructure Improvements Fund** accounts for bond proceeds that finance the cost of local government's public infrastructure improvement projects.

The **Ohio Building Authority Fund** accounts for bond proceeds that finance the construction of State office buildings and rehabilitation and correctional facilities.

STATE OF OHIO
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989
(amounts expressed in thousands)

	OHIO TURNPIKE COMMISSION	HIGHER EDUCATION IMPROVEMENTS	HIGHWAY OBLIGATIONS CONTSTRUCTION
ASSETS			
Cash Equity with Treasurer	$ —	$ 114,499	$ 46,500
Cash with Custodian	4,178	—	—
Investments	22,816	—	—
Receivables			
Other	320	590	235
Due from Other Funds	—	607	242
TOTAL ASSETS	**$ 27,314**	**$ 115,696**	**$ 46,977**
LIABILITIES AND FUND BALANCES			
Liabilities			
Accrued Liabilities	$ 3,474	$ 15,180	$ 4,128
Refund and Other Liabilities	—	—	—
Total Liabilities	3,474	15,180	4,128
Fund Balances			
Reserved for			
Encumbrances	—	119,376	40,259
Other	23,840	—	—
Unreserved Undesignated (deficits)	—	(18,860)	2,590
Total Fund Balances	23,840	100,516	42,849
TOTAL LIABILITIES AND FUND BALANCES	**$ 27,314**	**$ 115,696**	**$ 46,977**

MENTAL HEALTH MENTAL RETARDATION FACILITIES IMPROVEMENTS	PARKS AND RECREATION IMPROVEMENTS	LOCAL INFRASTRUCTURE IMPROVEMENTS	OHIO BUILDING AUTHORITY	TOTAL
$ 23,051	$ 34,689	$ 118,162	$ —	$ 336,901
—	—	—	—	4,178
—	—	—	—	22,816
122	108	5,388	—	6,763
125	111	—	5,739	6,824
$ 23,298	**$ 34,908**	**$ 123,550**	**$ 5,739**	**$ 377,482**
$ 1,129	$ 977	$ —	$ —	$ 24,888
—	—	—	4,700	4,700
1,129	977	—	4,700	29,588
33,239	22,646	—	—	215,520
—	—	—	1,039	24,879
(11,070)	11,285	123,550	—	107,495
22,169	33,931	123,550	1,039	347,894
$ 23,298	**$ 34,908**	**$ 123,550**	**$ 5,739**	**$ 377,482**

STATE OF OHIO

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)

	OHIO TURNPIKE COMMISSION	HIGHER EDUCATION IMPROVEMENTS	HIGHWAY OBLIGATIONS CONSTRUCTION
REVENUES:			
Sales, Services, and Charges	$ —	$ —	$ —
Other	1,794	7,662	5,122
TOTAL REVENUES	1,794	7,662	5,122
EXPENDITURES:			
CURRENT:			
Transportation	32,775	—	—
CAPITAL OUTLAY	15,511	178,301	61,102
TOTAL EXPENDITURES	48,286	178,301	61,102
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(46,492)	(170,639)	(55,980)
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	226,655	—
Operating Transfers-in	47,416	—	—
Operating Transfers-out	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	47,416	226,655	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	924	56,016	(55,980)
FUND BALANCES, JULY 1	22,916	44,500	98,829
FUND BALANCES, JUNE 30	$ 23,840	$ 100,516	$ 42,849

MENTAL HEALTH MENTAL RETARDATION FACILITIES IMPROVEMENTS	PUBLIC IMPROVEMENTS	PARKS AND RECREATION IMPROVEMENTS	LOCAL INFRASTRUCTURE IMPROVEMENTS	OHIO BUILDING AUTHORITY	TOTAL
$ 97	$ —	$ —	$ —	$ —	$ 97
2,745	—	1,794	5,388	—	24,505
2,842	**—**	**1,794**	**5,388**	**—**	**24,602**
—	—	—	—	—	32,775
33,932	—	8,702	—	149,081	446,629
33,932	**—**	**8,702**	**—**	**149,081**	**479,404**
(31,090)	**—**	**(6,908)**	**5,388**	**(149,081)**	**(454,802)**
39,429	—	35,974	118,162	143,625	563,845
—	—	—	—	—	47,416
—	(385)	—	—	—	(385)
39,429	**(385)**	**35,974**	**118,162**	**143,625**	**610,876**
8,339	**(385)**	**29,066**	**123,550**	**(5,456)**	**156,074**
13,830	**385**	**4,865**	**—**	**6,495**	**191,820**
$ 22,169	**$ —**	**$ 33,931**	**$ 123,550**	**$ 1,039**	**$ 347,894**

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ENTERPRISE FUNDS

The **Enterprise Funds** account for operations that are financed and operated in a manner similar to private business enterprises -- where the State's intent is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the State has decided that periodic determination of net income is appropriate for accountability purposes.

The **State Parking Commission Fund** accounts for the operations of the State Parking Commission.

The **Liquor Control Fund** accounts for the operations of the Department of Liquor Control.

The **Ohio Lottery Commission Fund** accounts for the operations of the State Lottery.

The **Workers' Compensation Fund** accounts for the operations of the Bureau of Workers' Compensation and the Ohio Industrial Commission.

STATE OF OHIO
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989
(amounts expressed in thousands)

	STATE PARKING COMMISSION	LIQUOR CONTROL	OHIO LOTTERY COMMISSION
ASSETS			
Current Assets:			
Cash Equity with Treasurer	$ —	$ 787	$ 14,880
Cash with Custodian	168	4,609	537
Investments	4,960	—	14,401
Receivables:			
Premiums and Assessments	—	—	—
Other	40	—	44,248
Due from Other Funds	—	—	1,702
Inventories	—	22,549	—
Other Assets	—	494	1,044
Total Current Assets	5,168	28,439	76,812
Restricted Assets:			
Cash Equity with Treasurer	—	—	300,508
Dedicated Investments	—	—	418,870
Total Restricted Assets	—	—	719,378
Noncurrent Assets:			
Investments	—	—	—
Total Noncurrent Assets	—	—	—
Fixed Assets:			
Fixed Assets	7,322	10,906	30,180
Less Accumulated Depreciation	(3,856)	(6,892)	(18,673)
Total Fixed Assets	3,466	4,014	11,507
TOTAL ASSETS	**$ 8,634**	**$ 32,453**	**$ 807,697**
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Accounts Payable	$ 17	$ 12,315	$ 2,077
Accrued Liabilities	131	5,483	—
Due to Other Funds	—	77	2,569
Deferred Revenues	—	12	2,119
Refund and Other Liabilities	17	3,724	9,853
Revenue Bonds	196	—	—
Total Current Liabilities	361	21,611	16,618
Liabilities Payable from Restricted Assets:			
Deferred Prize Awards Payable	—	—	698,432
Total Liabilities Payable from Restricted Assets	—	—	698,432
Noncurrent Liabilities:			
Accrued Liabilities	—	—	716
Workers' Compensation Benefits Payable	—	—	—
Revenue Bonds	491	—	—
Total Noncurrent Liabilities	491	—	716
Total Liabilities	852	21,611	715,766
Fund Equity:			
Net Unrealized Gains on Investments	—	—	—
Retained Earnings:			
Reserved	—	—	20,946
Unreserved (deficits)	7,782	10,842	70,985
Total Fund Equity (Deficits)	7,782	10,842	91,931
TOTAL LIABILITIES AND FUND EQUITY	**$ 8,634**	**$ 32,453**	**$ 807,697**

WORKERS' COMPENSATION	TOTAL
$ 12,200	$ 27,867
3,368	8,682
713,139	732,500
1,295,095	1,295,095
58,238	102,526
—	1,702
—	22,549
91,383	92,921
2,173,423	2,283,842
—	300,508
—	418,870
—	719,378
5,103,146	5,103,146
5,103,146	5,103,146
260,449	308,857
(23,468)	(52,889)
236,981	255,968
$ 7,513,550	**$ 8,362,334**
$ 22,405	$ 36,814
—	5,614
—	2,646
57,867	59,998
412,212	425,806
—	196
492,484	531,074
—	698,432
—	698,432
—	716
9,214,599	9,214,599
—	491
9,214,599	9,215,806
9,707,083	10,445,312
546,243	546,243
136,092	157,038
(2,875,868)	(2,786,259)
(2,193,533)	(2,082,978)
$ 7,513,550	**$ 8,362,334**

STATE OF OHIO

ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)

	STATE PARKING COMMISSION	LIQUOR CONTROL	OHIO LOTTERY COMMISSION
OPERATING REVENUES:			
Charges for Sales and Services	$ 2,136	$ 368,634	$ 1,414,045
Premium and Assessment Income	—	—	—
Investment Income	—	—	57,055
Other	—	464	3,353
TOTAL OPERATING REVENUES	**2,136**	**369,098**	**1,474,453**
OPERATING EXPENSES:			
Costs of Sales and Services	851	240,324	—
Administration	216	60,596	150,433
Prizes and Claims	—	—	694,432
Benefit Payments and Refunds	—	—	—
Depreciation	187	986	5,796
Other	—	205	48,246
TOTAL OPERATING EXPENSES	**1,254**	**302,111**	**898,907**
OPERATING INCOME	**882**	**66,987**	**575,546**
NONOPERATING REVENUES (EXPENSES):			
Investment Income	321	—	—
Interest Expense	(42)	—	—
Other	67	207	—
TOTAL NONOPERATING REVENUES (EXPENSES)	**346**	**207**	—
INCOME BEFORE OPERATING TRANSFERS	**1,228**	**67,194**	**575,546**
OPERATING TRANSFERS:			
Operating Transfers-out	—	(70,332)	(555,855)
NET INCOME (LOSS)	**1,228**	**(3,138)**	**19,691**
RETAINED EARNINGS (DEFICITS), JULY 1 (as restated)	6,554	13,980	72,240
RETAINED EARNINGS (DEFICITS), JUNE 30	**$ 7,782**	**$ 10,842**	**$ 91,931**

WORKERS' COMPENSATION	TOTAL
$ —	$ 1,784,815
1,513,765	1,513,765
565,737	622,792
21,245	25,062
2,100,747	**3,946,434**
—	241,175
10,136	221,381
—	694,432
1,801,646	1,801,646
6,038	13,007
197,745	246,196
2,015,565	**3,217,837**
85,182	**728,597**
—	321
—	(42)
—	274
—	**553**
85,182	**729,150**
—	(626,187)
85,182	**102,963**
(2,824,958)	(2,732,184)
$ (2,739,776)	**$ (2,629,221)**

STATE OF OHIO

ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)

	STATE PARKING COMMISSION	LIQUOR CONTROL	OHIO LOTTERY COMMISSION	WORKERS' COMPENSATION	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating Income	$ 882	$ 66,987	$ 575,546	$ 85,182	$ 728,597
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	187	986	5,796	6,038	13,007
Provision for Uncollectible Accounts	—	—	—	29,337	29,337
Amortization of Discount	—	—	—	760	760
Loss on Sale of Capital Assets	—	—	21	—	21
Change in Assets and Liabilities:					
Increase in Premiums and Assessments Receivable	—	—	—	(132,592)	(132,592)
Increase in Other Receivables	(2)	—	(6,050)	(35,740)	(41,792)
Decrease in Due from Other Funds	—	—	44	—	44
Increase in Inventories	—	(319)	—	—	(319)
Decrease (Increase) in Other Current Assets	—	(64)	3,961	(5,589)	(1,692)
Increase (Decrease) in Accounts Payable	(3)	1,652	(3,307)	19,025	17,367
Increase (Decrease) in Accrued Liabilities	26	(643)	(881)	—	(1,498)
Increase in Due to Other Funds	—	77	453	—	530
Increase in Deferred Revenues	—	2	739	38,407	39,148
Increase (Decrease) in Refund and Other Liabilities	—	549	(22,973)	30,092	7,668
Increase in Noncurrent Accrued Liabilities	—	—	716	—	716
Increase in Deferred Prize Awards Payable from Restricted Assets	—	—	162,264	—	162,264
Increase in Workers' Compensation Benefits Payable	—	—	—	604,450	604,450
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	**1,090**	**69,227**	**716,329**	**639,370**	**1,426,016**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Operating Transfers-out	—	(70,332)	(555,855)	—	(626,187)
NET CASH FLOWS USED FOR NONCAPITAL FINANCING ACTIVITIES	**—**	**(70,332)**	**(555,855)**	**—**	**(626,187)**

	STATE PARKING COMMISSION	LIQUOR CONTROL	OHIO LOTTERY COMMISSION	WORKERS' COMPENSATION	TOTAL
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Retirement of Revenue Bond Principal	(691)	—	—	—	(691)
Interest Paid	(76)	—	—	—	(76)
Acquisition and Construction of Capital Assets	(33)	(885)	(564)	(75,106)	(76,588)
NET CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	**(800)**	**(885)**	**(564)**	**(75,106)**	**(77,355)**
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from the Sales and Maturities of Investments	4,090	—	58,584	1,118,137	1,180,811
Purchase of Investments	(4,741)	—	(304,797)	(1,686,774)	(1,996,312)
Interest and Dividends on Investments	365	—	—	—	365
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(286)**	**—**	**(246,213)**	**(568,637)**	**(815,136)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**4**	**(1,990)**	**(86,303)**	**(4,373)**	**(92,662)**
CASH AND CASH EQUIVALENTS, JULY 1, 1988	164	7,386	402,228	19,941	429,719
CASH AND CASH EQUIVALENTS, JUNE 30, 1989	**$ 168**	**$ 5,396**	**$ 315,925**	**$ 15,568**	**$ 337,057**

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INTERNAL SERVICE FUNDS

The **Internal Service Funds** account for the financing of goods or services provided by a State department or agency to other agencies and to other government units, on a cost-reimbursement basis.

The **Ohio Building Authority Fund** accounts for the revenues and operating expenses of State office buildings and other government buildings owned by the Ohio Building Authority.

The **Ohio Data Network Fund** accounts for the revenues and expenses associated with electronic data-processing goods and services provided to user State agencies and to local government.

The **Ohio Penal Industries Fund** accounts for revenues and expenses associated with the purchase of raw materials and labor costs that are incurred in the production of manufactured goods and agricultural commodities sold to user State agencies.

The **Support Services Fund** accounts for revenues and expenses associated with the purchase of food, medical, and other institutional supplies and the costs of services provided to user State agencies.

The **Telecommunications Fund** accounts for the revenues and expenses related to telecommunications services provided to State agencies and to local government.

STATE OF OHIO
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989
(amounts expressed in thousands)

	OHIO BUILDING AUTHORITY	OHIO DATA NETWORK	OHIO PENAL INDUSTRIES
ASSETS			
Current Assets:			
Cash Equity with Treasurer	$ —	$ 16,594	$ 5,928
Cash with Custodian	1,540	—	—
Investments	2,752	—	—
Receivables:			
Intergovernmental	—	117	128
Other	6,451	1,231	197
Due from Other Funds	—	10,261	7,115
Inventories	—	631	8,269
Other Assets	259	95	—
Total Current Assets	11,002	28,929	21,637
Restricted Assets:			
Cash and Investments	368,006	47,313	—
Total Restricted Assets	368,006	47,313	—
Noncurrent Assets:			
Other Assets	161	120	—
Advance to Other Funds	—	2,571	—
Other Receivables	57,289	1,880	—
Total Noncurrent Assets	57,450	4,571	—
Fixed Assets:			
Fixed Assets	—	51,027	6,150
Less Accumulated Depreciation	—	(30,702)	(3,675)
Total Fixed Assets	—	20,325	2,475
TOTAL ASSETS	**$ 436,458**	**$ 101,138**	**$ 24,112**
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Accounts Payable	$ —	$ 1,284	$ 3,371
Accrued Liabilities	6,335	9,949	1,982
Due to Other Funds	177,106	276	1,206
Deferred Revenues	2,971	—	4,066
Refund and Other Liabilities	1,861	3,470	—
Revenue Bonds	1,761	—	—
Total Current Liabilities	190,034	14,979	10,625
Liabilities Payable from Restricted Assets:			
Certificates of Participation	—	47,136	—
Total Liabilities Payable from Restricted Assets	—	47,136	—
Noncurrent Liabilities:			
Advance From Other Funds	—	—	—
Accrued Liabilities	—	3,768	54
Revenue Bonds and Certificates of Participation	52,901	10,253	—
Total Noncurrent Liabilities	52,901	14,021	54
Total Liabilities	242,935	76,136	10,679
Fund Equity:			
Contributed Capital	—	—	—
Retained Earnings:			
Reserved	193,523	—	—
Unreserved	—	25,002	13,433
Total Fund Equity	193,523	25,002	13,433
TOTAL LIABILITIES AND FUND EQUITY	**$ 436,458**	**$ 101,138**	**$ 24,112**

SUPPORT SERVICES	TELE-COMMUNICATIONS	TOTAL
$ 1,459	$ 4,409	$ 28,390
—	—	1,540
—	—	2,752
383	391	1,019
—	45	7,924
4,423	5,042	26,841
6,445	—	15,345
—	121	475
12,710	10,008	84,286
—	10,259	425,578
—	10,259	425,578
—	617	898
—	—	2,571
—	—	59,169
—	617	62,638
5,733	18,883	81,793
(3,068)	(9,878)	(47,323)
2,665	9,005	34,470
$ 15,375	**$ 29,889**	**$ 606,972**
$ 2,372	$ 415	$ 7,442
710	1,369	20,345
85	460	179,133
434	—	7,471
—	—	5,331
—	—	1,761
3,601	2,244	221,483
—	10,259	57,395
—	10,259	57,395
—	529	529
—	165	3,987
—	16,550	79,704
—	17,244	84,220
3,601	29,747	363,098
861	—	861
—	—	193,523
10,913	142	49,490
11,774	142	243,874
$ 15,375	**$ 29,889**	**$ 606,972**

STATE OF OHIO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 1989
(amounts expressed in thousands)

	OHIO BUILDING AUTHORITY	OHIO DATA NETWORK	OHIO PENAL INDUSTRIES
OPERATING REVENUES:			
Charges for Sales and Services	$ 26,395	$ 45,762	$ 24,074
Other	625	104	838
TOTAL OPERATING REVENUES	**27,020**	**45,866**	**24,912**
OPERATING EXPENSES:			
Costs of Sales and Services	15,566	6,417	13,290
Administration	1,315	21,663	12,962
Depreciation	—	6,343	430
Other	—	3,178	127
TOTAL OPERATING EXPENSES	**16,881**	**37,601**	**26,809**
OPERATING INCOME (LOSS)	**10,139**	**8,265**	**(1,897)**
NONOPERATING REVENUES (EXPENSES):			
Investment Income	12,879	3,583	—
Interest Expense	(5,056)	(4,504)	—
Other	(276)	(6,321)	(76)
TOTAL NONOPERATING REVENUES (EXPENSES)	**7,547**	**(7,242)**	**(76)**
INCOME (LOSS) BEFORE OPERATING TRANSFERS	**17,686**	**1,023**	**(1,973)**
OPERATING TRANSFERS:			
Operating Transfers-out	(9,097)	—	—
NET INCOME (LOSS)	**8,589**	**1,023**	**(1,973)**
RETAINED EARNINGS (DEFICITS), JULY 1 (as restated)	184,934	23,979	15,406
RETAINED EARNINGS (DEFICITS), JUNE 30	**$ 193,523**	**$ 25,002**	**$ 13,433**

SUPPORT SERVICES	TELE-COMMUNICATIONS	TOTAL
$ 38,991	$ 29,505	$ 164,727
694	48	2,309
39,685	**29,553**	**167,036**
31,870	18,132	85,275
8,120	3,918	47,978
67	2,855	9,695
421	1,224	4,950
40,478	**26,129**	**147,898**
(793)	**3,424**	**19,138**
—	1,178	17,640
—	(2,505)	(12,065)
(16)	(43)	(6,732)
(16)	**(1,370)**	**(1,157)**
(809)	**2,054**	**17,981**
—	—	(9,097)
(809)	**2,054**	**8,884**
11,722	(1,912)	234,129
$ 10,913	**$ 142**	**$ 243,013**

STATE OF OHIO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1989
(amounts expressed in thousands)

	OHIO BUILDING AUTHORITY	OHIO DATA NETWORK	OHIO PENAL INDUSTRIES	SUPPORT SERVICES	TELE-COMMUNICATION	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:						
Operating Income (Loss)	$ 10,139	$ 8,265	$ (1,897)	$ (793)	$ 3,424	$ 19,138
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation	—	6,343	430	67	2,855	9,695
Amortization of Discount	—	682	—	—	275	957
Change in Assets and Liabilities:						
Decrease (Increase) in Intergovernmental Receivables	—	286	178	(194)	(49)	221
Decrease (Increase) in Other Receivables	68	(39)	163	14	(19)	187
Decrease (Increase) in Due from Other Funds	—	6,634	(1,038)	290	(17)	5,869
Increase in Inventories	—	(389)	(1,730)	(666)	—	(2,785)
Increase in Other Current Assets	(237)	—	—	—	—	(237)
Decrease in Other Noncurrent Assets	1	—	—	—	—	1
Decrease in Noncurrent Other Receivables	2,015	1,160	—	—	—	3,175
Increase (Decrease) in Accounts Payable	—	(5,047)	784	774	(1,310)	(4,799)
Increase (Decrease) in Accrued Liabilities	(22,392)	(417)	525	153	840	(21,291)
Increase (Decrease) in Due to Other Funds	36,993	21	414	44	(241)	37,231
Increase (Decrease) in Deferred Revenues	(5,029)	—	355	(219)	—	(4,893)
Increase in Refund and Other Liabilities	—	463	—	—	—	463
Decrease in Noncurrent Accrued Liabilities	—	(2,635)	(47)	—	(395)	(3,077)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	**21,558**	**15,327**	**(1,863)**	**(530)**	**5,363**	**39,855**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Operating Transfers-out	(9,097)	—	—	—	—	(9,097)
NET CASH FLOWS USED FOR NONCAPITAL FINANCING ACTIVITIES	**(9,097)**	—	—	—	—	**(9,097)**

	OHIO BUILDING AUTHORITY	OHIO DATA NETWORK	OHIO PENAL INDUSTRIES	SUPPORT SERVICES	TELE-COMMUNICATIONS	TOTAL
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: :						
Retirement of Revenue Bond Principal	(1,653)	—	—	—	—	(1,653)
Interest Paid	(4,848)	(4,805)	—	—	(2,523)	(12,176)
Retirement of Certificates of Participation	—	(8,864)	—	—	(3,240)	(12,104)
Acquisition and Construction of Capital Assets	—	(3,871)	(8)	(600)	(331)	(4,810)
Proceeds from Sales of Fixed Assets	—	—	26	—	—	26
Decrease in Advance to Other Funds	—	5	—	—	—	5
Decrease in Advance From Other Funds	—	—	—	—	(669)	(669)
NET CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	**(6,501)**	**(17,535)**	**18**	**(600)**	**(6,763)**	**(31,381)**
CASH FLOWS FROM INVESTING ACTIVITIES:						
Proceeds from the Sales and Maturities of Investments	—	6,460	—	—	2,859	9,319
Purchase of Investments	(22,844)	(4,451)	—	—	(82)	(27,377)
Interest on Investments	10,769	3,470	—	—	1,180	15,419
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(12,075)**	**5,479**	—	—	**3,957**	**(2,639)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(6,115)**	**3,271**	**(1,845)**	**(1,130)**	**2,557**	**(3,262)**
CASH AND CASH EQUIVALENTS, JULY 1, 1988	7,655	13,487	7,773	2,589	1,852	33,356
CASH AND CASH EQUIVALENTS, JUNE 30, 1989	**$ 1,540**	**$ 16,758**	**$ 5,928**	**$ 1,459**	**$ 4,409**	**$ 30,094**
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Acquisition and Construction of Capital Assets	$ —	$ (6,403)	$ (101)	$ (590)	$ (564)	$ (7,658)
Increase in Capital Leases	—	6,403	101	67	564	7,135
Increase in Contributed Capital	—	—	—	523	—	523
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**

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TRUST AND AGENCY FUNDS

The **Trust Funds** account for assets held by the State in a trustee capacity. The **Agency Funds** account for assets held by the State as an agent for individuals, private organizations, other governments, and/or other funds.

Expendable Trust

The **Employment Services Fund** accounts for unemployment insurance benefit claims.

Pension Trust

The **State Highway Patrol Fund** accounts for the accumulation of resources for pension benefit payments to qualified employees who participate in the State Highway Patrol Retirement System.

Agency

The **Holding and Distribution Fund** accounts for assets held until such time that a determination has been made to refund amounts to the original owners or to distribute amounts to other State funds.

The **Payroll Withholding and Fringe Benefits Fund** accounts for assets held to liquidate the State's payroll withholding obligations.

The **Tax Refunds Fund** accounts for assets held to liquidate the State's tax refund obligations.

The **Unclaimed Funds Fund** accounts for assets held for owners of unclaimed intangible property. Unclaimed property is property for which the owner has not taken some action to indicate ownership interest over a certain period of time specified under Chapter 169, Ohio Revised Code.

The **Star Ohio Fund** accounts for assets held for local government units that participate in the State Treasury Asset Reserve of Ohio (STAROhio), a pooled investment fund managed by the Treasurer of State.

The **Deferred Compensation Fund** accounts for assets held for employees in accordance with the provisions of Internal Revenue Code Section 457.

The **Other Fund** accounts for assets held for others, which are not accounted for in another agency fund.

STATE OF OHIO
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989
(amounts expressed in thousands)

	EXPENDABLE TRUST	PENSION TRUST	AGENCY
	EMPLOYMENT SERVICES	STATE HIGHWAY PATROL	HOLDING & DISTRIBUTION
ASSETS			
Cash Equity with Treasurer	$ —	$ —	$ 27,377
Cash with Custodian	—	81	6,775
Investments	—	168,840	—
Deposit with Federal Government	652,641	—	—
Security Deposits	3,994	—	—
Receivables:			
Employer Contributions	194,817	—	—
Other	—	2,992	—
Due from Other Funds	—	1,685	—
Deposit with Deferred Compensation Plan	—	—	—
Other Assets	—	43	—
TOTAL ASSETS	**$ 851,452**	**$ 173,641**	**$ 34,152**
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Liabilities	$ —	$ —	$ —
Due to Other Funds	—	—	30,876
Refund and Other Liabilities	19,480	77	3,276
Liability for Deferred Compensation	—	—	—
Total Liabilities	19,480	77	34,152
Fund Balances:			
Reserved for:			
Pension Benefits	—	173,564	—
Unreserved Undesignated	831,972	—	—
Total Fund Balances	831,972	173,564	—
TOTAL LIABILITIES AND FUND BALANCES	**$ 851,452**	**$ 173,641**	**$ 34,152**

PAYROLL WITHHOLDING & FRINGE BENEFITS	TAX REFUNDS	UNCLAIMED FUNDS	STAR OHIO	DEFERRED COMPENSATION	OTHER
$ 120,516	$ 8,531	$ —	$ —	$ —	$ 12,284
522	—	12,203	—	—	9,392
—	—	65,305	587,497	—	3,738
—	—	—	—	—	—
—	—	—	—	—	258,760
—	—	—	—	—	—
251	—	35,824	—	—	60
259	—	5,008	—	—	4
—	—	—	—	216,111	—
—	—	—	—	—	—
$ 121,548	**$ 8,531**	**$ 118,340**	**$ 587,497**	**$ 216,111**	**$ 284,238**
$ 498	$ —	$ —	$ 587,497	$ —	$ 6,917
7,468	—	—	—	—	5,008
113,582	8,531	118,340	—	—	272,313
—	—	—	—	216,111	—
121,548	8,531	118,340	587,497	216,111	284,238
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
$ 121,548	**$ 8,531**	**$ 118,340**	**$ 587,497**	**$ 216,111**	**$ 284,238**

(continued)

STATE OF OHIO
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989
(amounts expressed in thousands)
(continued)

	TOTAL
ASSETS	
Cash Equity with Treasurer	$ 168,708
Cash with Custodian	28,973
Investments	825,380
Deposit with Federal Government	652,641
Security Deposits	262,754
Receivables:	
Employer Contributions	194,817
Other	39,127
Due from Other Funds	6,956
Deposit with Deferred Compensation Plan	216,111
Other Assets	43
TOTAL ASSETS	$ 2,395,510
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accrued Liabilities	$ 594,912
Due to Other Funds	43,352
Refund and Other Liabilities	535,599
Liability for Deferred Compensation	216,111
Total Liabilities	1,389,974
Fund Balances:	
Reserved for:	
Pension Benefits	173,564
Unreserved Undesignated	831,972
Total Fund Balances	1,005,536
TOTAL LIABILITIES AND FUND BALANCES	$ 2,395,510

STATE OF OHIO

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)

	BALANCE JULY 1, 1988	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1989
HOLDING & DISTRIBUTION:				
ASSETS				
Cash Equity with Treasurer	$ 28,548	$ 577,954	$ 579,125	$ 27,377
Cash with Custodian	7,210	381,714	382,149	6,775
Due from Other Funds	—	1	1	—
Total Assets	**$ 35,758**	**$ 959,669**	**$ 961,275**	**$ 34,152**
LIABILITIES				
Due to Other Funds	$ 32,331	$ 573,293	$ 574,748	$ 30,876
Refund and Other Liabilities	3,427	4,227	4,378	3,276
Total Liabilities	**$ 35,758**	**$ 577,520**	**$ 579,126**	**$ 34,152**
PAYROLL WITHHOLDING & FRINGE BENEFITS:				
ASSETS				
Cash Equity with Treasurer	$ 149,965	$ 895,293	$ 924,742	$ 120,516
Cash with Custodian	232	6,751	6,461	522
Other Receivables	436	251	436	251
Due from Other Funds	306	4,868	4,915	259
Total Assets	**$ 150,939**	**$ 907,163**	**$ 936,554**	**$ 121,548**
LIABILITIES				
Accrued Liabilities	$ 8,147	$ 212,861	$ 220,510	$ 498
Due to Other Funds	10,962	120,934	124,428	7,468
Refund and Other Liabilities	131,830	567,368	585,616	113,582
Total Liabilities	**$ 150,939**	**$ 901,163**	**$ 930,554**	**$ 121,548**
TAX REFUNDS:				
ASSETS				
Cash Equity with Treasurer	$ 6,005	$ 1,123,521	$ 1,120,995	$ 8,531
Total Assets	**$ 6,005**	**$ 1,123,521**	**$ 1,120,995**	**$ 8,531**
LIABILITIES				
Accrued Liabilities	$ —	$ 558,478	$ 558,478	$ —
Refund and Other Liabilities	6,005	565,043	562,517	8,531
Total Liabilities	**$ 6,005**	**$ 1,123,521**	**$ 1,120,995**	**$ 8,531**
UNCLAIMED FUNDS:				
ASSETS				
Cash with Custodian	$ 19,055	$ 165,499	$ 172,351	$ 12,203
Investments	46,951	147,440	129,086	65,305
Other Receivables	40,833	—	5,009	35,824
Due from Other Funds	—	5,008	—	5,008
Total Assets	**$ 106,839**	**$ 317,947**	**$ 306,446**	**$ 118,340**
LIABILITIES				
Refund and Other Liabilities	$ 106,839	$ 312,939	$ 301,438	$ 118,340
Total Liabilities	**$ 106,839**	**$ 312,939**	**$ 301,438**	**$ 118,340**

	BALANCE JULY 1, 1988	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1989
STAR OHIO:				
ASSETS				
Investments	$ 865,581	$ —	$ 278,084	$ 587,497
Total Assets	**$ 865,581**	**$ —**	**$ 278,084**	**$ 587,497**
LIABILITIES				
Accrued Liabilities	$ 865,581	$ —	$ 278,084	$ 587,497
Total Liabilities	**$ 865,581**	**$ —**	**$ 278,084**	**$ 587,497**
DEFERRED COMPENSATION:				
ASSETS				
Due from Other Funds	$ 1,224	$ 33,491	$ 34,715	$ —
Deposit with Deferred Compensation Plan	175,811	55,482	15,182	216,111
Total Assets	**$ 177,035**	**$ 88,973**	**$ 49,897**	**$ 216,111**
LIABILITIES				
Liability for Deferred Compensation	$ 177,035	$ 54,259	$ 15,183	$ 216,111
Total Liabilities	**$ 177,035**	**$ 54,259**	**$ 15,183**	**$ 216,111**
OTHER:				
ASSETS				
Cash Equity with Treasurer	$ 7,018	$ 22,281	$ 17,015	$ 12,284
Cash with Custodian	11,969	96,401	98,978	9,392
Security Deposits	248,797	115,007	105,044	258,760
Investments	3,356	8,419	8,037	3,738
Other Receivables	4	60	4	60
Due from Other Funds	3	41	40	4
Total Assets	**$ 271,147**	**$ 242,209**	**$ 229,118**	**$ 284,238**
LIABILITIES				
Accrued Liabilities	$ 6,705	$ 17,080	$ 16,868	$ 6,917
Refund and Other Liabilities	264,442	203,621	195,750	272,313
Due to Other Funds	—	5,008	—	5,008
Total Liabilities	**$ 271,147**	**$ 225,709**	**$ 212,618**	**$ 284,238**
TOTAL AGENCY:				
ASSETS				
Cash Equity with Treasurer	$ 191,536	$ 2,619,049	$ 2,641,877	$ 168,708
Cash with Custodian	38,466	650,365	659,939	28,892
Security Deposits	248,797	115,007	105,044	258,760
Investments	915,888	155,859	415,207	656,540
Other Receivables	41,273	311	5,449	36,135
Due from Other Funds	1,533	43,409	39,671	5,271
Deposit with Deferred Compensation Plan	175,811	55,482	15,182	216,111
Total Assets	**$ 1,613,304**	**$ 3,639,482**	**$ 3,882,369**	**$ 1,370,417**
LIABILITIES				
Accrued Liabilities	$ 880,433	$ 788,419	$ 1,073,940	$ 594,912
Due to Other Funds	43,293	699,235	699,176	43,352
Refund and Other Liabilities	512,543	1,653,198	1,649,699	516,042
Liability for Deferred Compensation	177,035	54,259	15,183	216,111
Total Liabilities	**$ 1,613,304**	**$ 3,195,111**	**$ 3,437,998**	**$ 1,370,417**

GENERAL FIXED ASSETS ACCOUNT GROUP

The **General Fixed Assets Account Group** accounts for fixed assets acquired or constructed for use by the State for general governmental purposes. These include all fixed assets except those accounted for in the proprietary and trust funds.

STATE OF OHIO

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY SOURCE
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)

	BALANCE JULY 1, 1988	ADDITIONS	DELETIONS NET TRANSFERS	BALANCE JUNE 30, 1989
GENERAL FIXED ASSETS:				
Land	$ 144,996	$ 13,860	$ (1,622)	$ 157,234
Buildings	959,310	27,901	396,685	1,383,896
Land Improvements	63,668	—	14,547	78,215
Machinery and Equipment	126,088	19,947	(6,206)	139,829
State Vehicles	140,128	19,655	2,356	162,139
Construction-in-Progress	643,384	161,142	(576,924)	227,602
TOTAL GENERAL FIXED ASSETS	**$ 2,077,574**	**$ 242,505**	**$ (171,164)**	**$ 2,148,915**
INVESTMENT IN GENERAL FIXED ASSETS:				
ACQUIRED BEFORE JULY 1, 1987	$ 1,730,933	$ —	$ (315,331)	$ 1,415,602
ACQUIRED ON OR AFTER JULY 1, 1987:				
Capital Projects Funds:				
General Obligation Bonds	50,064	—	(50,064)	—
Special Obligation Bonds	224,683	180,609	190,840	596,132
General Fund Revenues	37,687	20,030	(19,831)	37,886
Special Revenue Fund Revenues	34,180	41,866	23,249	99,295
Donations	27	—	(27)	—
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	**$ 2,077,574**	**$ 242,505**	**$ (171,164)**	**$ 2,148,915**

STATE OF OHIO

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION FOR THE FISCAL YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)

	BALANCE JULY 1, 1988	ADDITIONS	DELETIONS NET TRANSFERS	BALANCE JUNE 30, 1989
GENERAL FIXED ASSETS:				
Primary, Secondary and Other Education	$ 17,800	$ 260	$ (516)	$ 17,544
Higher Education	3,147	1,515	(14)	4,648
Public Assistance and Medicaid	489	10	55	554
Health and Human Services	489,946	8,599	(11,306)	487,239
Justice and Public Protection	196,972	7,141	298,063	502,176
Environmental Protection and Natural Resources	204,723	25,400	11,930	242,053
Transportation	295,211	18,973	3,112	317,296
General Government	196,927	18,122	105,074	320,123
Community and Economic Development	28,975	1,343	(638)	29,680
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS	**1,434,190**	**81,363**	**405,760**	**1,921,313**
Construction-in-Progress	643,384	161,142	(576,924)	227,602
TOTAL GENERAL FIXED ASSETS	**$ 2,077,574**	**$ 242,505**	**$ (171,164)**	**$ 2,148,915**

STATE OF OHIO

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION

AS OF JUNE 30, 1989

(amounts expressed in thousands)

REPORTING FUNCTION:	LAND	LAND IMPROVEMENTS	BUILDINGS	MACHINERY and EQUIPMENT	STATE VEHICLES	TOTAL
Primary, Secondary and Other Education	$ 170	$ 1,184	$ 7,424	$ 8,096	$ 670	$ 17,544
Higher Education	—	247	—	4,344	57	4,648
Public Assistance and Medicaid	—	—	—	521	33	554
Health and Human Services	6,846	39,590	404,587	29,109	7,107	487,239
Justice and Public Protection	7,539	25,237	429,783	14,554	25,063	502,176
Environmental Protection and Natural Resources	98,814	9,495	96,277	9,804	27,663	242,053
Transportation	24,791	—	140,931	60,052	91,522	317,296
General Government	17,202	1,303	281,512	12,340	7,766	320,123
Community and Economic Development	1,872	1,159	23,382	1,009	2,258	29,680
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS	**$ 157,234**	**$ 78,215**	**$ 1,383,896**	**$ 139,829**	**$ 162,139**	**$ 1,921,313**
Construction-in-Progress						227,602
TOTAL GENERAL FIXED ASSETS						**$ 2,148,915**

STATISTICAL SECTION

STATE OF OHIO

Table 1

REVENUE BY SOURCE
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST TEN FISCAL YEARS
(amounts expressed in thousands)

SOURCE	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980
Income Taxes	$ 3,903,008	$ 3,362,694	$ 3,216,533	$ 2,775,568	$ 2,778,120	$ 2,485,954	$1,971,966	$1,243,618	$1,134,381	$1,039,728
Sales Taxes	3,397,204	3,225,852	2,971,258	2,793,415	2,556,520	2,322,683	2,003,890	1,819,959	1,640,889	1,442,251
Corporate and Public Utility Taxes	1,524,635	1,419,351	1,402,726	1,436,512	1,406,597	1,256,379	1,111,992	1,134,859	1,023,889	962,312
Motor Vehicle Fuel Taxes	824,273	811,222	641,771	663,693	622,580	615,996	588,530	527,012	374,187	397,133
Other Taxes	706,746	690,210	621,647	587,944	553,606	649,010	692,810	696,973	695,670	667,890
Licenses, Permits and Fees	584,155	546,786	482,461	457,428	406,237	376,217	363,505	346,548	379,444	255,653
Sales, Services and Charges	67,612	63,015	36,309	69,470	127,004	120,023	104,224	91,957	68,862	59,880
Federal Government	4,114,718	3,850,251	3,467,569	3,523,361	3,118,633	2,767,171	2,438,638	2,271,354	2,315,040	1,971,990
Other	582,194	531,067	795,964	1,105,461	695,585	587,924	532,128	529,022	468,897	377,410
Total Revenues by Source	**$15,704,545**	**$14,500,448**	**$13,636,238**	**$13,412,852**	**$12,264,882**	**$11,181,357**	**$9,807,683**	**$8,661,302**	**$8,101,259**	**$7,174,247**

Note: Revenue data for fiscal years 1980 to 1987 was obtained from the State of Ohio's centralized accounting system, which reports financial information on a non-GAAP, budgetary basis. Revenue data for fiscal years 1988 and 1989 is reported on a GAAP basis, which also recognizes revenues of organizations outside of the State's Central Accounting System.

STATE OF OHIO

Table 2

EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST TEN FISCAL YEARS
(amounts expressed in thousands)

FUNCTION	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980
Primary, Secondary and Other Education	$ 3,777,680	$ 3,573,459	$ 3,535,737	$ 3,227,248	$ 2,959,254	$ 2,709,335	$ 2,343,199	$ 2,097,053	$ 2,077,283	$ 1,978,207
Higher Education	1,357,778	1,283,026	1,213,096	1,115,546	983,279	897,858	756,146	715,459	691,061	684,701
Public Assistance and Medicaid	4,191,661	3,764,405	3,586,311	3,352,044	2,900,380	2,767,736	2,488,881	2,229,078	1,903,602	1,554,140
Health and Human Services	1,467,552	1,432,124	1,284,666	1,255,400	1,174,755	1,095,750	984,063	944,509	876,757	813,549
Justice and Public Protection	742,957	661,102	667,962	586,390	539,301	461,759	417,765	364,341	329,713	308,617
Environmental Protection and Natural Resources	195,193	176,017	185,966	178,665	177,317	163,985	138,751	122,129	114,207	108,707
Transportation	1,079,675	1,146,734	977,707	1,013,019	902,639	705,258	691,110	590,027	560,675	555,353
General Government (a)	277,122	252,375	316,597	313,296	331,560	239,339	218,940	193,083	263,767	264,845
Community and Economic Development	325,580	316,646	313,379	309,040	322,345	276,427	220,695	176,138	158,241	107,686
Local Government Support, Tax Relief and Other	1,721,921	1,549,713	1,565,702	1,778,601	1,517,946	1,446,373	1,219,683	893,986	973,394	746,297
Capital Outlay	494,305	559,221	184,389	215,192	260,846	189,142	195,996	153,221	236,549	262,990
Debt Service	621,829	629,615	486,838	447,369	415,892	401,079	328,074	288,202	270,279	250,608
Total Expenditures by Function	**$16,253,253**	**$15,344,437**	**$14,318,350**	**$13,791,810**	**$12,485,514**	**$11,354,041**	**$10,003,303**	**$8,767,226**	**$8,455,528**	**$7,635,700**

Note: Expenditure data for fiscal years 1980 through 1987 was obtained from the State's centralized accounting system, which reports financial information on a non-GAAP, budgetary basis. Expenditure data for fiscal years 1988 and 1989 is reported on a GAAP basis, which also recognizes expenditures of organizations outside of the State's Central Accounting System.

(a) Within the General Government Function, the significant decline between fiscal years 1987 and 1988 was primarily a result of the elimination of reimbursement expenditures on a GAAP basis. The elimination of such expenditures was necessary to avoid the double-counting of expenditures and revenues in those funds, which record reimbursements for expenditures incurred by other funds.

STATE OF OHIO

Table 3

RATIO OF ANNUAL DEBT SERVICE FOR GENERAL AND SPECIAL BONDED DEBT* TO TOTAL REVENUES AND EXPENDITURES ALL GOVERNMENTAL FUND TYPES FOR THE LAST TEN FISCAL YEARS

(amounts expressed in thousands)

For the Year Ended June 30,	Total Debt Service	Revenues	Ratio	Expenditures	Ratio
1980	$ 250,608	$ 7,174,247	3.49%	$ 7,635,700	3.28%
1981	270,279	8,101,259	3.34%	8,455,528	3.20%
1982	288,202	8,661,302	3.33%	8,767,226	3.29%
1983	328,074	9,807,683	3.35%	10,003,303	3.28%
1984	401,079	11,181,357	3.59%	11,354,041	3.53%
1985	415,892	12,264,882	3.39%	12,485,514	3.33%
1986	447,369	13,412,852	3.34%	13,791,810	3.24%
1987	486,838	13,636,238	3.57%	14,318,350	3.40%
1988	562,506	14,500,448	3.88%	15,344,437	3.67%
1989	562,195	15,704,545	3.58%	16,253,253	3.46%

* Includes general and special obligation bonds.

Data for fiscal years 1980 to 1987 is presented on a non-GAAP, budgetary basis while data for fiscal years 1988 and 1989 is shown on a GAAP basis. Amounts paid to the Ohio Building Authority for debt service related to special obligations debt for fiscal years 1980 to 1987 are recorded on a non-GAAP, budgetary basis as lease rental payments. Thus, these amounts are not included above as debt service expenditures.

STATE OF OHIO

Table 4

NET GENERAL AND SPECIAL BONDED DEBT* PER CAPITA FOR THE LAST TEN FISCAL YEARS

For the Year Ended June 30,	Population (in 000s)	General and Special Obligation Bonds — Total Outstanding (in 000s)	Less Amount Available in Debt Service Fund (in 000s)	Net Bonded Debt (in 000s)	Net Bonded Debt Per Capita
1980	10,798	$ 2,494,165	$ 216,558	$ 2,277,607	$ 211
1981	10,801	2,622,545	237,648	2,384,897	221
1982	10,777	2,537,550	257,964	2,279,586	212
1983	10,761	2,824,483	302,058	2,522,425	234
1984	10,771	2,743,891	323,183	2,420,708	225
1985	10,774	3,011,183	360,553	2,650,630	246
1986	10,778	3,320,101	439,661	2,880,440	267
1987	10,816	3,580,128	481,726	3,098,402	287
1988	10,854	3,743,526	548,376	3,195,150	294
1989	10,854 **	4,009,894	625,526	3,384,368	312

* Includes general and special obligation bonds.

** An estimate for 1989 was not available.

Source: Statistical Abstract of the United States 1989, U.S. Department of Commerce, Bureau of the Census

STATE OF OHIO

Table 5

SCHEDULE OF REVENUE BOND COVERAGE
FOR THE LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Ohio Turnpike Commission

Fiscal Year (a)	Gross Revenue	Direct Operating Expenditures (b)	Net Revenue Available For Debt Service	Current Fiscal Year's Debt Service Requirements			
				Principal	Interest	Total	Coverage
1980	$53,787	$23,360	$30,427	$11,208	$1,119	$12,327	2.47
1981	52,024	25,705	26,319	6,337	799	7,136	3.69
1982	53,257	27,969	25,288	6,092	558	6,650	3.80
1983	69,580	30,884	38,696	4,836	359	5,195	7.45
1984	74,685	32,844	41,841	4,787	263	5,050	8.29
1985	79,423	35,656	43,767	4,811	259	5,070	8.63
1986	81,828	36,985	44,843	----	409	409	109.64
1987	85,179	38,472	46,707	----	409	409	114.20
1988	86,980	40,548	46,432	----	409	409	113.53
1989	91,741	43,356	48,385	----	409	409	118.30

(a) Data for fiscal years 1980 through 1983 is presented on a non-GAAP, budgetary basis while data for fiscal years 1984 through 1989 is shown on a GAAP basis.
(b) Includes only those expenditures recorded in the Special Revenue Fund.

Economic Development Financing Division

Fiscal Year (c)	Gross Revenue	Direct Operating Expenditures	Net Revenue Available For Debt Service	Current Fiscal Year's Debt Service Requirements			
				Principal	Interest	Total	Coverage
1980	$373,606	$242,315	$131,291	$ ----	$ ----	$ ----	----
1981	397,489	233,988	163,501	----	----	----	----
1982	391,811	262,166	129,645	----	----	----	----
1983	379,817	239,921	139,896	----	7,459	7,459	18.76
1984	359,879	212,721	147,158	695	12,511	13,206	11.14
1985	359,518	253,525	105,993	1,510	16,561	18,071	5.87
1986	336,192	278,213	57,979	1,695	16,383	18,078	3.21
1987	361,907	307,095	54,812	1,900	16,184	18,084	3.03
1988	350,376	280,215	70,161	2,130	15,962	18,092	3.88
1989	369,098	301,125	67,973	2,390	15,712	18,102	3.75

(c) Data for fiscal years 1980 through 1987 is presented on a non-GAAP, budgetary basis while data for fiscal years 1988 and 1989 is shown on a GAAP basis.

SCHEDULE OF REVENUE BOND COVERAGE
FOR THE LAST TEN FISCAL YEARS
(amounts expressed in thousands)

State Parking Commission

Fiscal Year (d)	Gross Revenue	Direct Operating Expenses (e)	Net Revenue Available For Debt Service	Current Fiscal Year's Debt Service Requirements			
				Principal	Interest	Total	Coverage
1980	$1,138	$ 711	$ 427	$ 800	$ 111	$ 911	0.47
1981	1,197	1,621	(424)	521	78	599	-0.71
1982	1,253	629	624	147	74	221	2.82
1983	1,291	832	459	148	64	212	2.17
1984	1,347	789	558	143	62	205	2.72
1985	1,724	869	855	29	58	87	9.83
1986	1,866	1,290	576	13	57	70	8.23
1987	1,983	1,407	576	----	57	57	10.11
1988	2,104	888	1,216	----	60	60	20.27
1989	2,524	1,067	1,457	691	42	733	1.99

(d) Data for fiscal years 1980 through 1987 is presented on a non-GAAP, budgetary basis while data for fiscal years 1988 and 1989 is shown on a GAAP basis.
(e) Excludes depreciation expense.

Ohio Building Authority

Fiscal Year (f)	Gross Revenue	Direct Operating Expenses	Net Revenue Available For Debt Service	Current Fiscal Year's Debt Service Requirements			
				Principal	Interest	Total	Coverage
1980	$ 1,127	$ 5,113	$ (3,986)	$ ----	$ ----	$ ----	----
1981	1,526	5,507	(3,981)	----	73	73	-54.53
1982	6,224	5,604	620	15,547	----	15,547	0.04
1983	10,030	6,296	3,734	----	2,685	2,685	1.39
1984	22,675	8,393	14,282	49,028	8,278	57,306	0.25
1985	19,585	9,274	10,311	732	5,622	6,354	1.62
1986	23,858	9,555	14,303	60,264	5,052	65,316	0.22
1987	18,596	10,215	8,381	1,462	4,903	6,365	1.32
1988	32,731	11,922	20,809	1,543	5,299	6,842	3.04
1989	39,899	16,881	23,018	1,653	5,056	6,709	3.43

(f) Data for fiscal years 1980 through 1987 is presented on a non-GAAP, budgetary basis while data for fiscal years 1988 and 1989 is shown on a GAAP basis.

STATE OF OHIO

Table 6

Debt Service Requirements to Maturity
on Selected Outstanding Obligations of the State
by Fiscal Year
as of June 30, 1989

Fiscal Year	Commissioners of the Sinking Fund General Obligation Bonds		OBA (b) Special Obligation & Revenue Bonds		OPFC Special Obligation Bonds	Total Debt Service		
	Highway (a)	Non-Highway	Prisons & Office Bldgs.	Transportation (c)		Principal	Interest	Total
1990	$ 99,392,813	$ 78,272,864	$ 115,993,168	$ 5,671,788	$ 304,072,520	$ 312,255,000	$ 291,148,153	$ 603,403,153
1991	81,495,438	72,897,195	116,096,627	5,661,100	299,359,968	305,840,000	269,670,328	575,510,328
1992	70,044,938	58,788,064	116,016,539	5,650,913	299,221,230	300,755,000	248,966,684	549,721,684
1993	52,881,938	46,013,140	115,756,918	5,640,275	298,473,873	290,670,000	228,096,144	518,766,144
1994	43,266,250	37,766,970	115,587,386	5,628,238	292,490,413	287,210,000	207,529,257	494,739,257
1995	41,403,750	38,015,554	115,393,696	5,613,850	286,429,843	299,840,000	187,016,693	486,856,693
1996	35,035,000	23,994,440	115,182,596	5,596,163	279,410,561	293,215,000	166,003,760	459,218,760
1997	20,457,500	16,320,403	114,943,278	5,583,750	265,129,700	276,450,000	145,984,631	422,434,631
1998	10,600,000	12,917,113	114,639,345	5,565,188	241,452,799	254,396,650	130,777,795	385,174,445
1999	----	12,915,298	114,186,065	5,544,288	205,902,118	222,246,134	116,301,635	338,547,769
2000	----	12,915,028	114,053,439	5,519,625	176,403,475	208,332,255	100,559,312	308,891,567
2001	----	12,916,535	113,433,411	5,499,300	141,856,050	191,494,443	82,210,853	273,705,296
2002	----	12,912,393	113,209,491	5,471,413	107,437,825	175,180,000	63,851,122	239,031,122
2003	----	12,914,536	112,853,517	5,444,063	84,000,850	164,815,000	50,397,966	215,212,966
2004	----	12,914,790	112,816,836	5,414,875	43,617,400	136,975,000	37,788,901	174,763,901
2005	----	----	111,995,570	5,381,475	4,494,000	85,909,382	35,961,663	121,871,045
2006	----	----	93,547,300	5,346,250	----	71,391,194	27,502,356	98,893,550
2007	----	----	71,953,574	5,306,350	----	65,285,000	11,974,924	77,259,924
2008	----	----	42,509,378	5,263,688	----	40,230,000	7,543,066	47,773,066
2009	----	----	27,426,891	----	----	22,410,000	5,016,891	27,426,891
2010	----	----	16,872,725	----	----	13,275,000	3,597,725	16,872,725
2011	----	----	16,867,250	----	----	14,130,000	2,737,250	16,867,250
2012	----	----	16,856,850	----	----	14,990,000	1,866,850	16,856,850
2013	----	----	11,781,100	----	----	10,780,000	1,001,100	11,781,100
2014	----	----	6,987,100	----	----	6,530,000	457,100	6,987,100
TOTAL	**$454,577,627**	**$462,474,323**	**$2,136,960,050**	**$104,802,592**	**$3,329,752,625**	**$4,064,605,058**	**$2,423,962,159**	**$6,488,567,217**

(a) Debt service on highway bonds is paid entirely from highway receipts which are constitutionally restricted in use to highway related purposes.
(b) Includes assumed debt service on $406,000,000 of bonds issued as variable rate bonds at either a 9.5% fixed annual interest rate or a 15% fixed annual interest rate as required by the applicable bond proceedings. Figures do not include debt service on $4,700,000 bond anticipation notes.
(c) Lease rentals are paid from highway receipts in this and the preceding biennium, and are anticipated to be paid from those receipts to be appropriated for the purpose in future bienniums.

STATE OF OHIO

PERSONAL INCOME
FOR THE LAST TEN CALENDAR YEARS

Calendar Year	Ohio's Total Personal Income (in millions)	Percent Change	Per Capita Personal Income	
			Ohio	United States
1979	$ 96,736	+10.5%	$ 8,958	$ 9,033
1980	105,035	+ 8.6%	9,727	9,950
1981	113,969	+ 8.5%	10,552	10,949
1982	117,766	+ 3.3%	10,928	11,481
1983	123,972	+ 5.3%	11,521	12,098
1984	134,761	+ 8.7%	12,512	13,114
1985	141,972	+ 5.4%	13,177	13,896
1986	148,958	+ 4.9%	13,821	14,596
1987	157,638	+ 5.8%	14,575	15,472
1988	168,635	+ 7.0%	15,536	16,489

Source: Survey of Current Business, U.S. Department of Commerce, Bureau of Economic Analysis

STATE OF OHIO

Table 8

PERSONAL INCOME BY INDUSTRY FOR THE LAST TEN CALENDAR YEARS

(amounts expressed in millions)

Calendar Year	Manufacturing		Services		Government		Wholesale & Retail Trade	
	Personal Income	Percent of Total Income	Personal Income	Percent of Total Income	Personal Income	Percent of Total Income	Personal Income	Percent of Total Income
1979	$28,610	29.6%	$10,867	11.2%	$8,594	8.9%	$11,377	11.8%
1980	28,799	27.4%	11,796	11.2%	9,440	9.0%	11,785	11.2%
1981	30,652	26.9%	13,259	11.6%	10,134	8.9%	12,259	10.8%
1982	28,875	24.5%	14,420	12.2%	10,908	9.3%	12,691	10.8%
1983	30,149	24.3%	16,923	13.7%	11,691	9.4%	13,985	11.3%
1984	33,425	24.8%	18,820	14.0%	12,459	9.2%	15,148	11.2%
1985	34,774	24.5%	20,617	14.5%	13,277	9.4%	16,277	11.5%
1986	35,341	23.7%	22,974	15.4%	13,933	9.4%	17,006	11.4%
1987	35,841	22.7%	25,507	16.2%	14,850	9.4%	17,933	11.4%
1988	38,006	22.5%	27,762	16.5%	16,070	9.5%	19,292	11.4%

Calendar Year	Construction		Transportation & Public Utilities		Finance, Insurance & Real Estate		Other*		Ohio's Total Personal Income
	Personal Income	Percent of Total Income	Personal Income	Percent of Total Income	Personal Income	Percent of Total Income	Personal Income	Percent of Total Income	
1979	$4,091	4.2%	$5,226	5.4%	$3,111	3.2%	$24,860	25.7%	$96,736
1980	4,116	3.9%	5,431	5.2%	3,326	3.2%	30,342	28.9%	105,035
1981	3,764	3.3%	5,712	5.0%	3,522	3.1%	34,667	30.4%	113,969
1982	3,540	3.0%	5,777	4.9%	3,724	3.2%	37,831	32.1%	117,766
1983	4,259	3.4%	5,985	4.8%	4,201	3.4%	36,779	29.7%	123,972
1984	4,863	3.6%	6,459	4.8%	4,399	3.3%	39,188	29.1%	134,761
1985	5,020	3.5%	6,551	4.6%	4,752	3.3%	40,704	28.7%	141,972
1986	5,368	3.6%	6,789	4.6%	5,296	3.6%	42,251	28.4%	148,958
1987	6,022	3.8%	7,047	4.5%	5,984	3.8%	44,454	28.2%	157,638
1988	6,530	3.9%	7,363	4.4%	6,549	3.9%	47,063	27.9%	168,635

* Primarily includes investment and rental income.

Source: Survey of Current Business, U.S. Department of Commerce/Bureau of Economic Analysis

STATE OF OHIO

Table 9

POPULATION BY AGE GROUP

OHIO

Age Group	1970	Percent	1980	Percent
Under 5 years	921,030	8.7%	787,150	7.3%
5 through 19 years	3,198,880	30.0%	2,715,784	25.2%
20 through 44 years	3,348,132	31.4%	3,928,118	36.4%
45 through 64 years	2,186,281	20.5%	2,197,118	20.3%
65 years and over	997,694	9.4%	1,169,460	10.8%
	10,652,017	100.0%	10,797,630	100.0%

Source: General Population Characteristics -- Ohio, 1980 Census of Population, U.S. Bureau of Census

UNITED STATES

Age Group	1970	Percent	1980	Percent
Under 5 years	17,154,337	8.4%	16,348,254	7.2%
5 through 19 years	59,816,063	29.4%	56,110,209	24.8%
20 through 44 years	64,366,255	31.7%	84,035,253	37.1%
45 through 64 years	41,809,769	20.6%	44,502,662	19.6%
65 years and over	20,065,502	9.9%	25,549,427	11.3%
	203,211,926	100.0%	226,545,805	100.0%

Source: General Population Characteristics -- United States Summary, 1980 Census of Population, U.S. Bureau of Census

OHIO'S TOTAL POPULATION AS A PERCENTAGE OF U.S. TOTAL POPULATION

1970			1980		
Ohio	U.S.	Percent	Ohio	U.S.	Percent
10,652,017	203,211,926	5.2%	10,797,630	226,545,805	4.8%

AVERAGE MONTHLY UNEMPLOYMENT RATES
LAST TEN CALENDAR YEARS AND FIRST HALF OF CALENDAR 1989

Calendar Year	Ohio	United States
1979	5.9%	5.8%
1980	8.4%	7.1%
1981	9.6%	7.6%
1982	12.5%	9.7%
1983	12.2%	9.6%
1984	9.4%	7.5%
1985	8.9%	7.2%
1986	8.1%	7.1%
1987	7.0%	6.2%
1988	6.0%	5.5%
1989 (First Half) (a)	5.8%	5.4%

(a) Average subject to revision, not seasonally adjusted

Source: Ohio Bureau of Employment Services

List of Major Industrial Corporations That Maintain Headquarters in Ohio

American Greetings Corporation (Cleveland)

A. Schulman Incorporated (Akron)

B. F. Goodrich Company (Akron)

Banner Industries (Beechwood)

Carlisle Corporation (Cincinnati)

Champion Spark Plug Company (Toledo)

Chemed (Cincinnati)

Cincinnati Milacron Incorporated (Cincinnati)

Cooper Tire & Rubber (Findlay)

Dana Corporation (Toledo)

Eagel-Picher Industries Incorporated (Cincinnati)

Eaton Corporation (Cleveland)

Ferro Corporation (Cleveland)

Figgie International (Willoughby)

Gencorp (Fairlawn)

Goodyear Tire & Rubber Company (Akron)

Lubrizol Corporation (Wickliffe)

M.A. Hanna Company (Cleveland)

Mead Corporation (Dayton)

NACCO Industries (Cleveland)

NCR Corporation (Dayton)

Owens-Corning Fiberglas Corporation (Toledo)

Owens-Illinois Incorporated (Toledo)

Parker-Hannifin Corporation (Cleveland)

Penn Central Corporation (Cincinnati)

Philips Industries Incorporated (Dayton)

Proctor & Gamble Company (Cincinnati)

Reliance Electric Company (Cleveland)

Reynolds & Reynolds Company (Dayton)

Rubbermaid Incorporated (Wooster)

Sheller-Globe (Toledo)

Sherwin-Williams Company (Cleveland)

Standard Products Company (Cleveland)

Standard Register Company (Dayton)

Sudbury (Cleveland)

Timken Company (Canton)

Trinova Corporation (Maumee)

TRW Incorporated (Cleveland)

United Brands Company (Cincinnati)

Worthington Industries Incorporated (Columbus)

Source: The Fortune 500 Listing, Fortune Magazine, April 1989

STATE OF OHIO

Table 12

SALES OF RETAIL STORES
FOR THE LAST TEN CALENDAR YEARS
(amounts expressed in millions)

Calendar Year	Retail Sales		Per Capita	
	Ohio's Total	Percent Change	Retail Sales	Percent Change
1979	$42,791	7.2%	$3,963	7.1%
1980	44,670	4.2%	4,137	4.2%
1981	46,390	3.7%	4,295	3.7%
1982	47,186	1.7%	4,378	1.9%
1983	50,304	6.2%	4,675	6.3%
1984	54,771	8.2%	5,085	8.1%
1985	60,014	8.7%	5,570	8.7%
1986	62,043	3.3%	5,756	3.2%
1987	63,241	1.9%	5,847	1.5%
1988	65,863	4.0%	6,068	3.6%

Source: Revised Monthly Retail Sales and Inventories, U.S. Department of Commerce

WE WOULD LIKE YOUR COMMENTS AND SUGGESTIONS . . .

To increase the usefulness of the State of Ohio's Comprehensive Annual Financial Report (CAFR), we would like to provide our financial statement users with the opportunity to express their opinions and ideas by completing and mailing the following questionnaire to the address shown below.

STATE OF OHIO, OFFICE OF BUDGET AND MANAGEMENT
30 EAST BROAD STREET, 34TH FLOOR
COLUMBUS, OHIO 43266-0411
ATTENTION: FINANCIAL REPORTING SECTION

Furthermore, the Office of Budget and Management offers comparative financial information for fiscal years 1988 and 1989 at the combined statement level in LOTUS 1-2-3 format for a nominal fee of $3 per diskette. If you are interested in purchasing this supplementary financial information on diskette, please check the appropriate box at the end of the questionnaire and enclose your payment. Please make checks payable to the STATE OF OHIO.

QUESTIONNAIRE

1. What additional financial, economic, and demographic information would you find helpful for inclusion in graphic presentations, introductory materials, or the "Statistical Section" of the State's CAFR? Please specify below.

_____

_____

_____

_____

2. Based on the State's 1989 CAFR, what other comments or suggestions do you have? Please specify below.

_____

_____

_____

_____

3. Do you wish to continue to receive the State's CAFR? Please check: ☐ Yes ☐ No

4. Please complete the following:

Name_____

Organization/Company_____

Title_____

Street/P.O. Box_____

City_____ State_____ Zip Code_____

Telephone_____

☐ ***Yes. Please send me the financial information on a (please indicate one)*** ☐ ***3 1/2 inch diskette or*** ☐ ***5 1/4 inch floppy to the address shown above. Enclosed is $_____.***